DISCRIMINATION AND SEXUAL HARASSMENT POLICY

POLICY

The Company, and its parents, and its affiliates (collectively "Company") are committed to providing equal employment opportunity and a work environment free from discrimination prohibited by law, including sexual harassment, and discrimination because of an individual's race, religion, creed, color, national origin, ancestry, medical condition, mental and/or physical disability, marital status, sex, age, veteran status or sexual orientation. In keeping with this commitment, Company prohibits such discrimination or sexual harassment in all areas of employment, including, by way of example, recruitment, hiring, training, promotion, discipline, separations, benefits and compensation, and requires reasonable accommodation of qualified individuals with mental and/or physical disabilities whose needs are known to Company.

No employee of Company has the authority to condition any employment term, condition or benefit on the granting of sexual favors or on tolerating unwelcome sexual conduct or on any other conduct prohibited by this policy. All employees are also prohibited by this policy from taking retaliatory action of any kind against an employee because the employee made a good faith complaint about sexual harassment or discrimination prohibited by this policy. Any violations of this policy shall be treated as serious misconduct and will result in appropriate disciplinary action, which may include termination of employment.

All employees, whether supervisors or non-supervisors, and nonemployees during business contacts with Company employees or while visiting Company premises, are expected to comply with this policy.

DEFINITION

This policy prohibits all forms of conduct - such as verbal, physical, or visual conduct which are unwelcome and indicate race, religion, sex, creed, color, national origin, medical condition, ancestry, age, marital status, veteran status, physical or mental disability or sexual orientation.

Sexual harassment is defined as including, but is not limited to, unwelcome sexual advances, requests for sexual favors, and other verbal, physical or visual conduct of a sexual nature when either (1) submission to such conduct is made either explicitly or implicitly a term or condition of the individual's employment, (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual, or (3) such conduct has the purpose or effect

This policy seeks to prevent *unwelcome* discriminatory-based conduct, examples of which are listed below. It is important for employees to avoid conduct on their part which could be construed by others as unwelcome conduct directed at them (e.g., telling jokes of a sexual nature).

Examples of Prohibited Conduct:

- Offering employment benefits, such as favorable assignments, reviews, promotions or the like, in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances or to other discriminatory conduct;
- Making of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

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Examples of Prohibited Conduct:

- Offering employment benefits, such as favorable assignments, reviews, promotions or the like, in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances or to other discriminatory conduct;
- Making unwelcome sexual advances, propositions, flirtations or repeated unwelcome requests for or efforts to make social contact;
- Using verbal abuse of a sexual or gender-based or other discriminatory basis, such as using sexually degrading or vulgar words to describe an individual or making derogatory sexual, gender-related or discriminatorily-based (i.e., race religion, age, national origin, disability, sexual orientation, etc.) comments, slurs, taunts, jokes, language or epithets;
- Asking questions about sexual conduct or sexual orientation or disclosing or spreading rumors about such information concerning yourself or others;
- Making verbal commentaries about an individual's body, sexual prowess, sexual orientation or sexual deficiencies;
- Whistling at, touching, pinching, brushing the body, assaulting, impeding or blocking the movements, or coercing sexual acts or engaging in any such physical conduct in the context of other discriminatory-based conduct;
- Leering or making sexual, derogatory, insulting, obscene or other discriminatory-based (i.e., race, religion, age, national origin, disability, sexual orientation, etc.) comments or gestures;
- Displaying in the workplace sexually suggestive, gender-based or discriminatorily-based (i.e., race, religion, age, national origin, disability, sexual orientation, etc.) objects, pictures, posters or cartoon;
- Sending sexually suggestive or obscene letters, gifts, notes or invitations;
- Retaliating against an employee for refusing to participate in such behavior or for complaining about such behaviors.

TIMELY REPORTING

An important objective of this policy is to prevent a working environment from developing which because of such prohibited conduct unreasonably interferes with an employee's work or is intimidating, hostile or offensive. It is therefore essential and required that employees *immediately report* conduct which is believed to be in violation of this policy. Such timely reporting is necessary so that a complaint can be investigated while information is most available, a problem can be remedied before a harassing situation develops, and the potential for the spread of harmful rumors can be reduced.

Company Code of Conduct / 06.04.02

COMPLAINT PROCEDURE

Any employee who believes that he or she has been subjected to conduct in violation of this policy by an employee, supervisor, agent, business contact or visitor of Company or its parents & affiliates should report the facts of the incident and the names of the individuals involved to his/her immediate supervisor or, in the alternative, to the Chief Executive Officer or Chief Operating Officer.

If the employee is comfortable addressing the situation directly, and believes it would be helpful, the employee is encouraged to immediately tell the other person when his or her behavior is considered inappropriate and unwelcome and to request that the conduct stop. Persons so told should comply immediately and graciously with such requests.

Supervisors must *immediately* report conduct which is believed to be in violation of this policy, whether or not the concerned parties are subordinates of the supervisor, to the Chief Executive Officer or Chief Operating Officer or to the position designated in the supervisors applicable business group.

INVESTIGATION PROCESS

A report of an alleged violation of this policy will be promptly investigated. The findings will be reported to personnel with authority to take appropriate corrective action. Appropriate disciplinary action will be taken against any person who has violated this policy and other action will be taken as appropriate to remedy problems caused by the misconduct. The outcome of the investigative process will be reported to relevant parties, as is considered to be practical and/or appropriate.

CONFIDENTIALITY

Confidentiality will be maintained to the extent considered by Company to be practicable and appropriate in order to meet the purposes of investigating, responding to claims, complaints and charges, and achieving the other objectives of this policy.

UNIVERSAL PICTURES ANTI-THEFT POLICY

The Company may be actively involved in the development of new businesses which involve the sale or licensing of props, costumes, set decorations, and other movie memorabilia. Such items which are purchased for use in or in connection with Company's motion picture productions are and remain the property of Company or its designee.

Employees, consultants, contractors and others involved in productions are advised that the unauthorized taking or use of props, costumes, set decorations, or other materials purchased for or in connection with Company's motion pictures is a crime. Authorization for use or taking of props, costumes, set decorations, or other material from Company motion pictures can only be obtained from the Company's Physical Production Executive, Business Affairs Executive or Project Attorney for the motion picture.

Failure to comply with the provisions of this Company policy is cause for immediate termination of any employment, contractor or vendor relationship and possible criminal prosecution.

11/3/98

