

DAVIS TRUCKING, LLC
SAN DIEGO, CALIFORNIA

EMPLOYEE HANDBOOK

Employee Handbook

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Purpose of This Employee Handbook

This handbook is designed to acquaint you with Davis Trucking, LLC (“Davis Trucking” or the “Company”) and provide a reference for many of your questions regarding your employment with us.

The contents of this handbook are only a summary of the employee benefits, personnel policies, and employment policies in effect at the time of publication. The Company retains the right to prospectively add, change, delete or modify, policies, benefits, wages, and all other working conditions as it deems appropriate without obtaining another person’s consent or agreement. Therefore, other than the at-will agreement and agreement to arbitrate contained in the Employee Acknowledgment and Agreement at the end of this handbook, this handbook should not be construed as creating any kind of “employment contract.”

As provided in the Employee Acknowledgment and Agreement, nothing in this handbook creates or is intended to create a promise of continued employment for a definite term. Employment at the Company is employment at-will and may be terminated at the will of either the Company or the employee, with or without cause or prior notice. This handbook shall supersede any and all prior handbooks, written documents or oral representations that contradict the at-will nature of your employment. Your status as an “at-will” employee may not be changed except in writing signed by the Vice President of the Company.

Let's Communicate

Employee Relations Philosophy

We are dedicated to continuing what we believe to be an excellent relationship with our employees. We will do our best to maintain good working conditions, competitive wages and benefits, open communications, and employee involvement. Over the years, our Company has earned a fine reputation in our industry. We know that our reputation is a direct result of the loyalty, commitment, and continued efforts of our employees. We will continue to look to our employees for ideas about how to improve all areas of our business -- in areas like customer service, safety, efficiency, and employee relations.

If You Have a Question

We encourage you to discuss questions or concerns regarding this handbook, your job, or any work-related issues you may experience with us. We cannot address any of your questions or concerns unless we know about them.

If you have a problem, please speak with your immediate supervisor as soon as possible. Your immediate supervisor is the person responsible for what takes place in your immediate work area and may be in the best position to help you.

If you prefer not to speak with your immediate supervisor, or if you feel your immediate supervisor cannot or has not satisfactorily resolved the issue, contact the Vice President. Finally, if you still feel the need to speak to other members of management, we encourage you to contact the President.

If you have a complaint of harassment or discrimination, or you require a reasonable accommodation, please refer to the Equal Employment Opportunity Policy or the Policy Against Unlawful Harassment, Discrimination and Retaliation in this handbook.

The Company takes all employee concerns and problems seriously. We will work to address your concern and/or resolve your problem as soon as possible under the circumstances. You are encouraged to utilize this procedure without fear of retaliation.

Please note that the Company utilizes private, binding arbitration for employee disputes that cannot be resolved by other means, and which would otherwise be subject to resolution in court.

What You Can Expect From Us

Introductory Period

For every new employee, including rehires, the first ninety (90) days of employment is an introductory period. During this first ninety (90) days, your job performance, attendance, attitude and overall interest in your job will be assessed. Employees who fail to demonstrate the expected commitment, performance and attitude may be terminated at any time during the introductory period. However, completion of the introductory period does not change or alter the “at-will” employment relationship. You continue to have the right to terminate your employment at any time, with or without cause or notice, and the Company has the same right.

During the introductory period, you may not be eligible for certain Company benefits.

As a result of an excused absence during your introductory period or for other reasons identified by management, the Company may choose to extend your introductory period as necessary to give you a further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified.

Equal Employment Opportunity Policy

We are committed to providing equal employment opportunities to all employees and applicants without regard to race, ethnicity, religion, color, sex (including childbirth, breast feeding and related medical conditions), gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member and veteran status, marital status, pregnancy, age, protected medical condition, genetic information, disability, or any other protected status in accordance with all applicable federal, state and local laws.

This policy extends to all aspects of our employment practices, including but not limited to, recruiting, hiring, discipline, termination, promotions, transfers, compensation, benefits, training, leaves of absence, and other terms and conditions of employment.

Requests for Accommodation

The Company is committed to complying with all laws protecting qualified individuals with disabilities, as well as employees’ religious beliefs and practices. This policy extends to all aspects of our employment practices, including but not limited to, recruiting, hiring, discipline, termination, promotions, transfers, compensation, benefits, training, leaves of absence, and other terms and conditions of employment. The Company will provide a reasonable accommodation for any known physical or mental disability of a qualified individual and/or employees’ religious beliefs and practices, provided the requested accommodation does not create an undue hardship for the Company and/or does not pose a direct threat to the health or safety of others in the workplace and/or to the individual.

If you require an accommodation to perform the essential functions of your job and/or for your religious beliefs or practices, you must notify the Vice President. Once the Company is aware of the need for an accommodation, the Company will engage in an interactive process to identify possible accommodations.

If you believe that you have been treated in a manner not in accordance with these policies, please notify the Company immediately by speaking to the Vice President or President. You are encouraged to utilize this procedure without fear of retaliation.

Policy Against Unlawful Harassment, Discrimination and Retaliation

The Company is committed to providing a work environment that is free of unlawful harassment, discrimination and retaliation. In furtherance of this commitment, the Company strictly prohibits all forms of unlawful discrimination and harassment, including: discrimination or harassment on the basis of race, ethnicity, religion, color, sex (including childbirth, breast feeding and related medical conditions), gender, gender identity or expression, sexual orientation, national origin, ancestry, citizenship status, uniform service member and veteran status, marital status, pregnancy, age, protected medical condition, genetic information, disability or any other category protected by applicable state or federal law.

The Company's policy against unlawful harassment, discrimination and retaliation applies to all employees, including supervisors and managers, as well as to all unpaid interns and volunteers. The Company prohibits managers, supervisors and employees from harassing co-workers as well as the Company's customers, vendors, suppliers, independent contractors and others doing business with the Company. Any such harassment will subject an employee to disciplinary action, up to and including immediate termination. The Company likewise prohibits its customers, vendors, suppliers, independent contractors and others doing business with the Company from harassing our employees,

Examples of Prohibited Sexual Harassment: Sexual harassment includes a broad spectrum of conduct including harassment based on sex, gender, gender transition, gender identity or expression, and sexual orientation. By way of illustration only, and not limitation, some examples of unlawful and unacceptable behavior include:

- Unwanted sexual advances;
- Offering an employment benefit (such as a raise, promotion or career advancement) in exchange for sexual favors, or threatening an employment detriment (such as termination or demotion) for an employee's failure to engage in sexual activity;
- Visual conduct, such as leering, making sexual gestures, and displaying or posting sexually suggestive objects or images, cartoons or posters;
- Verbal sexual advances, propositions, requests or comments;
- Sending or posting sexually-related messages, videos or images via text, instant messaging, or social media;
- Verbal abuse of a sexual nature, graphic verbal comments about an individual's appearance, sexually degrading words used to describe an individual, and suggestive or obscene letters, notes or invitations;

- Physical conduct, such as touching, kissing, groping, assault, or blocking movement;
- Physical or verbal abuse concerning an individual's gender, gender transition, gender identity or gender expression; and
- Verbal abuse concerning a person's characteristics such as pitch of voice, facial hair or the size or shape of a person's body, including remarks that a male is too feminine or a woman is too masculine.

Other Examples of What Constitutes Prohibited Harassment: In addition to the above listed conduct, the Company strictly prohibits harassment concerning any other protected characteristic. By way of illustration only, and not limitation, such prohibited harassment includes:

- Racial or ethnic slurs, epithets, and any other offensive remarks based on a protected characteristic;
- Jokes, whether written, verbal, or electronic that are based on a protected characteristic;
- Mocking or ridiculing another's religious or cultural beliefs, practices, or manner of dress;
- Threats, intimidation, horseplay, or other menacing behavior that are based on a protected characteristic;
- Inappropriate verbal, graphic, or physical conduct;
- Sending or posting harassing messages, videos or images via text, instant messaging, or social media; and
- Other harassing conduct based on one or more of the protected characteristics identified in this policy.

If you have any questions about what constitutes prohibited harassing behavior, ask your supervisor or another member of management.

Prohibition Against Retaliation: The Company is committed to prohibiting retaliation against those who themselves or whose family members report, oppose, or participate in an investigation of alleged unlawful harassment, discrimination, or other wrongdoing in the workplace. By way of example only, participating in such an investigation includes, but is not limited to:

- Filing a complaint with a federal or state enforcement or administrative agency;
- Participating in or cooperating with a federal or state enforcement agency conducting an investigation of the Company regarding alleged unlawful activity;

- Testifying as a party, witness, or accused regarding alleged unlawful activity;
- Making or filing an internal complaint with the Company regarding alleged unlawful activity;
- Providing notice to the Company regarding alleged unlawful activity;
- Assisting another employee who is engaged in any of these activities.

The Company is further committed to prohibiting retaliation against qualified employees who request a reasonable accommodation for any known physical or mental disability and employees who request a reasonable accommodation of their religious beliefs and practices. In addition, the Company will not penalize or retaliate against an employee who is a victim of domestic violence, sexual assault, or stalking for requesting leave time or changes in the workplace to ensure the employee's safety and well-being.

What You Should Do If You Feel You Are Being or Have Been Harassed, Discriminated Against or Retaliated Against

If you feel that you are being or have been harassed, discriminated against or retaliated against in violation of this policy by another employee, supervisor, manager, customer, vendor, independent contractor, or third party doing business with the Company, you should immediately report it to your manager or supervisor or to **the Vice President, Chief Financial Officer, or the President as follows:**

- In person, at **Davis Trucking, LLC, 7345 Mission Gorge Rd., Suite H, San Diego, CA 92120;** or
- By telephone, at **(619) 229-9997;** or
- By e-mail, at **bdavis@davistrucking.com;** or
- By website, at **www.davistrucking.com through the anonymous "Feedback" feature. At your discretion, you may disregard the field requesting your name.**

In addition, if you observe harassment by another employee, supervisor, manager or non-employee, please report the incident immediately as indicated above.

Supervisors who receive any complaint of harassment, discrimination or retaliation must promptly report such complaint to **the Vice President, Chief Financial Officer, or the President.**

Your notification of the problem is essential to us. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring your concerns and/or problems to our attention so we can take appropriate steps to address the situation. The Company takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

All complaints of unlawful harassment which are reported to management will be investigated as promptly as possible by an impartial and qualified person and, upon conclusion of such investigation, appropriate corrective action will be taken where warranted. The Company prohibits employees from refusing to cooperate with internal investigations and the internal complaint procedure. All complaints of unlawful harassment reported to management will be treated as confidentially as possible, consistent with the Company's need to conduct an adequate investigation.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate termination. Moreover, any supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination. **Additionally, under California law, employees may be held personally liable for harassing conduct that violates the California Fair Employment and Housing Act.**

Timekeeping and Payroll Practices

Employee Classification

Full-Time Employees

Full-time employees are those normally scheduled to work at least thirty-two (32) hours per week, as determined by the Company in its sole discretion. As used herein, “full-time” is a general employee classification used by the Company for a variety of purposes. Employees not classified by the Company as “full-time” may still be eligible for medical insurance coverage, depending on their position and hours of service. Consult the applicable plan document for all information regarding eligibility, coverage and benefits. It is the plan document that ultimately governs your entitlement to benefits.

Part-Time Employees

Part-time employees are those normally scheduled to work fewer than thirty-two (32) hours per week, as determined by the Company in its sole discretion.

Temporary Employees

Temporary employees are those employed to work on special projects for short periods of time, or on a “fill-in” basis. These positions are *not* intended to be a part of continuing operations. The employment status of temporary employees will not be changed due to an extension of employment in excess of that originally planned. Unless otherwise required by applicable law, temporary employees are not eligible for Company benefits.

Non-Exempt Employees

Non-exempt employees include all employees who are covered by the overtime provisions of the federal Fair Labor Standards Act and California state law.

Exempt Employees

Exempt employees include all employees who are classified by the Company as exempt from the overtime provisions of the federal Fair Labor Standards Act and California state law.

If you have any questions concerning your employee classification or the benefits for which you qualify, please consult the Vice President or the applicable benefit plan document.

Your Pay

We distribute paychecks on the 5th and 20th of each month. You should pick up your own paycheck on the normally scheduled pay day. Paychecks will be available at 12:00 p.m. (noon) on scheduled pay days. Should you, the employee, request a day off, or request early leave on the pay days that is not according to your normal work schedule, the check WILL NOT be made available earlier for your convenience. Should you receive a paycheck earlier than this handbook states, it will only be valid for that time and one-time approval, and it will not set precedence for

you or any employee moving forward. If the scheduled payday falls on a Saturday, Sunday, or holiday, paychecks will generally be distributed on the following business day. Any questions about the amount of your pay or deductions should be brought to the attention of the Vice President immediately.

Timekeeping Procedures

The workweek starts on Monday at 12:00 midnight and runs through Sunday at 11:59 p.m.

Unless otherwise notified, you are required to accurately record your hours of work. The Company uses On the Clock, an online timekeeping system. Each employee will be provided a login to enable the employee to clock in and out for their scheduled work shifts, as well as meal periods.

Due to the nature of their work, drivers will be expected to use a mobile device to access the timekeeping system. GPS coordinates must be enabled and logged when a driver clocks in and out to ensure the driver is accurately recording all hours worked. For each clock in and out, we also require drivers to input notes indicating the nature of the punch (for example, the start or end of a work shift, or the start or end of a meal period).

Office employees will be required to log onto their Company computers to use the online timekeeping program.

Should you have any issues with the timekeeping system or require edits to your timecard, which we understand will happen from time to time, contact your manager immediately. To streamline the process and ensure you are paid for all hours worked as required by the wage and hour laws, we ask that you do everything in your power to keep accurate and legible time cards.

Working “off the clock” is strictly prohibited. If any manager or supervisor directs you to, or suggests that you should, perform work while not “on the clock,” you must notify the Vice President immediately. Similarly, non-exempt employees are not permitted to perform work after hours or from home without specific direction from their supervisor, and in the event such work is authorized, all time spent working must be reported on the employee’s time record.

Your obligation to accurately record all hours worked does not relieve you of your obligation to obtain advance approval from your supervisor *before* working overtime or hours beyond your regular work schedule. Employees who work beyond their regularly scheduled work hours, including overtime or off-schedule hours, without prior authorization by their supervisor are subject to disciplinary action up to and including termination of employment.

You will be informed on your first day on the job whether you are required to keep your time by a time clock, a time sheet or some other method. Whatever your method of timekeeping, you are expected to follow the established procedures in keeping an accurate record of your hours worked.

Any changes or corrections to your time record must be initialed by you and your Department Manager. Under no circumstances may any employee record another employee’s time

card. Any abuse of the time keeping system or attempts to falsify time cards is strictly prohibited, and could lead to disciplinary action, up to and including termination.

Please feel free to consult the Chief Financial Officer or your manager with any questions regarding this policy.

Overtime and Work Schedule

The Company may periodically schedule overtime or weekend work in order to meet production needs. We will attempt to give as much advance notice as possible, and we expect that all employees who are scheduled to work overtime will be at work. Otherwise, all overtime work must be pre-approved by your supervisor. Working overtime without your supervisor's approval may result in disciplinary action, up to and including termination.

Your supervisor will inform you of the hours you are to work. Due to changing needs of our customers, your actual work schedule may vary from time to time. If it does, you will be notified by your supervisor. Management retains the right to reassign employees to a different shift where it is necessary for the efficient operation of the Company.

Meal Periods

Except for certain salaried exempt employees, it is our policy to provide and afford all employees who work more than five (5) hours in a work day with an uninterrupted thirty (30) minute meal period free from all duty to begin no later than the end of the 5th hour of work and a second uninterrupted thirty (30) minute meal period free from all duty to commence no later than the end of the 10th hour of work, should an employee work that many hours in any given day. Only in limited circumstances, discussed below, can meal periods be waived. For this reason, unless there is a written agreement for an on-duty meal period approved by the Vice President, employees must record the beginning and ending time of their meal period in the timekeeping system every day.

It is our policy to relieve you of all duty during your meal periods, so that you are at liberty to use the meal period time as you wish. You may leave the premises for your meal period if you so desire. The Company schedules all work assignments with the expectation that all employees will take their duty-free meal periods and we encourage you to do so. You may be asked to confirm in writing that you have been relieved of all duty and otherwise provided all of your meal periods during a particular pay period, or in the alternative, identify any meal periods during which you were required to work. At no time may any employee perform off-the-clock work or otherwise alter, falsify, or manipulate any aspect of their timekeeping records to inaccurately reflect or hide meal periods or time spent working during meal periods.

Please note that no Company manager or supervisor is authorized to instruct you how to spend your personal time during a meal or rest period. You should immediately report a manager's or supervisor's instruction to skip or work during a meal period to the Vice President or President. The Company strictly prohibits retaliation against any employee who reports violations of the Company's meal and rest period policies.

Waiver of Meal Period. You may waive your meal period only under the following circumstances: If you will complete your work day in six (6) hours or less, you may waive your meal period as approved by your supervisor. If you work over ten (10) hours in a day, you may waive your second meal period only if you have taken your first meal period that day and you do not work more than twelve (12) hours on that day. You may not waive your meal periods to shorten your work day.

On-Duty Meal Period. In limited situations, certain designated employees may be authorized to work an “on-duty meal period” when the nature of the employee’s duties prevent the employee from being relieved of all duty. You will be permitted to take an on-duty meal period only if the nature of your job duties requires it and you and the Company have agreed to an on-duty meal period in writing. In this situation, your on-duty meal period will be paid and treated as hours worked. The on-duty meal period agreement is revocable by you or the Company at any time.

The Company pays one-hour of premium pay to non-exempt employees at their regular rate of pay for each day during which they are required by the Company to work during one or more meal periods or if the Company has not otherwise provided them with an opportunity to take one or more meal periods on any day in accordance with this policy. Because this should be an exceptional occurrence, if you are aware of such a situation, please be sure to bring it to our attention. The one-hour premium will not apply in situations where the meal period is waived as permitted by law, where an employee has a lawful on-duty meal period, or if an employee personally chooses to deviate from the Company’s schedules or policies providing meal periods as required by law.

Rest Periods

The Company provides non-exempt employees with the opportunity to take a ten (10) minute paid rest period for every four (4) hours worked (or major fraction thereof), which should be taken so far as practicable in the middle of each four-hour work period. During your rest periods, you will be relieved of all duty so that you can enjoy this personal time. Rest breaks will be provided as follows:

Shift (Hours Worked in Day)	Number of Paid Rest Breaks
At least 3.5 and up to 6 hours	1
More than 6 and up to 10 hours	2
More than 10 and up to 14 hours	3
More than 14 hours	Continue under the above schedule

The Company generally will not authorize a rest period for employees whose total daily work time is less than three and one-half (3 ½) hours. Employees are generally authorized and permitted to schedule their rest periods at their own discretion under these guidelines; however, a supervisor may ask that rest periods be scheduled to best ensure the smooth operation of their Department. Rest periods may not be combined with other rest or meal periods.

Rest periods are “on the clock” and counted as hours worked, and thus, you are not required to separately record your rest periods on your timecards or the Company’s timekeeping system. If your rest period is interrupted, you must notify your supervisor immediately so that arrangements can be made for you to take a further, uninterrupted, rest period required by Company policy. No supervisor is authorized to instruct you to waive a rest period, and rest periods cannot be used to shorten the workday or be accumulated for any other purpose. Rest periods can be waived provided they are waived by an employee without any coercion from a supervisor and the waiver is purely voluntary. You may be required to confirm that you have been provided an opportunity to take all of your duty-free rest periods during a particular pay period (including pay periods when one or more rest periods have been voluntarily waived by you).

The Company pays one-hour of premium pay to non-exempt employees at their regular rate of pay for each day during which they are required by the Company to work during one or more rest periods or when they are not otherwise provided an opportunity by the Company to take one or more rest periods on any day in accordance with this policy. Because this should be an exceptional occurrence, if you are aware of such a situation, please be sure to bring it to our attention without delay. The Company strictly prohibits retaliation against any employee who reports violations of the Company’s rest period policy. The one-hour premium will not apply in situations where an employee personally chooses not to take a rest period or to deviate from the Company’s schedules or policies providing rest breaks as required by law.

Recovery Periods for Employees

The Company provides non-exempt employees working in conditions exceeding 80 degrees Fahrenheit with the opportunity to take an uninterrupted cool-down period of at least five (5) minutes as needed to avoid overheating. In high-heat situations when employees are working in conditions equaling or exceeding 95 degrees Fahrenheit, the Company requires employees to take a minimum of ten-minutes of net preventive cool-down time every two (2) hours. Employees are permitted to access the provided shaded area and drinking water at any time to avoid heat illness. Cool-down periods are counted as hours worked, and thus, you are not required to record your cool-down periods on your timecards or the Company’s timekeeping system.

It is our policy to relieve employees of all duty during cool-down periods. As such, no supervisor is authorized or allowed to instruct you to waive or skip a cool-down period, and cool-down periods cannot be used to shorten the workday. You should immediately report a manager’s or supervisor’s instruction to skip, shorten, or work during a cool-down period to the Vice President.

The Company pays one-hour of premium pay to non-exempt employees at their regular rate of pay for each day during which they are required by the Company to work during one or more recovery periods or if the Company has not otherwise provided them with an opportunity to take one or more recovery periods on a work day in accordance with this policy. Because this should be an exceptional occurrence, if you are aware of such a situation, please be sure to bring it to our attention. The one-hour premium will not apply in situations where an employee personally chooses not to take a discretionary recovery period or to deviate from the Company’s schedules or policies providing discretionary recovery periods as required by law.

Seating

The Company provides suitable seating for employees when the nature of an employee's work reasonably permits. If you do not have seating at your work station and feel you need seating, please inform your supervisor or the Vice President.

Lactation Break

The Company will provide a reasonable amount of break time to accommodate a female employee's need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with other break periods already provided. Non-exempt employees should clock out for additional lactation breaks that do not run concurrently with normally scheduled rest periods. Such additional breaks will be unpaid. The Company will also make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area, other than a bathroom, for the employee to express milk in private.

Employees should notify their immediate supervisor or the Vice President to request time to express breast milk under this policy.

Company Benefits

The Company provides the following benefits to eligible employees. The Company reserves the right to terminate or modify these plans at any time for any reason.

Paid Holidays

After completion of the introductory period (except as provided below), full-time employees will receive these specific holidays off with pay any time they fall on a normally scheduled work day for the employee. Each calendar year the Company will distribute a schedule of the year's holidays. However, the Company reserves the right to change the schedule or eliminate holidays with prior notice. The following are generally the paid holidays:

New Year's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

To be eligible for holiday pay, you must work your last scheduled day before the holiday and the first scheduled day after the holiday, unless you are taking an excused absence on those days. Holiday pay does not count as "hours worked" for purposes of calculating an employee's entitlement to overtime during the week in which the holiday occurs.

Some departments may be open on a holiday due to business necessity. Employees will be given as much advance notice as possible if they are required to work on a holiday, although advance notice may not always be possible. Employees asked to work on a holiday will only receive their normal rate of pay for work performed on a holiday.

Exempt employees will not receive additional holiday pay but rather will be paid their regular salary for the week in which a holiday falls.

Paid Vacation

The Company provides vacation benefits to all regular full-time employees. Vacation benefits do not accrue during the first ninety (90) days of employment. Beginning the 91st day of employment vacation will be accrued as follows, subject to the indicated accrual caps:

Employee's Continuous Length of Service	Amount of Monthly Accrual	Amount of Vacation Days Accrued per Year	Maximum Accrual Cap
0 – 90 days	0	0	
91 st day – 12 months	.416	3.75 days	
2nd – 4th years	.416	5 days	8 days
5th – 9 th years	.833	10 days	15 days
10 th year and thereafter	1.25	15 days	23 days

Vacation may not be accrued in excess of the applicable maximum accrual cap (detailed in the chart above). Once your unused and accrued vacation reaches the maximum cap, you will not become eligible to accrue any additional vacation time until prior vacation time has been used and your accrued balance falls below the maximum accrual cap.

Consult the Vice President for detailed information on how the dollar amount of your vacation pay is calculated and the amount you are entitled to receive. The actual dollar amount that you receive while on vacation may vary according to your compensation or pay plan. To be eligible for vacation pay, you must work your last scheduled day before the vacation and the first scheduled day after the vacation, unless you receive prior approval from your supervisor.

Vacation time is provided so that you are better able to perform your job when you return. For this reason, we require our employees to take their vacation and we do not permit employees to take pay in lieu of time off.

Employees who are out on a leave of absence do not accrue vacation time while they are on leave. Vacations must be scheduled and approved by your supervisor at least thirty (30) days in advance. Also, the Company, at its sole discretion, may require you to take your vacation at a particular time, and may also refuse your application for vacation where business needs dictate. We pay all accrued but unused vacation pay when an employee leaves the Company.

Paid Sick Leave

California

The Company provides paid sick leave to employees who have worked thirty (30) or more days in California within a year of their employment with the Company. Eligible employees, other than employees working in the City of Los Angeles or the City of San Diego will receive twenty-four (24) hours or three (3) days of paid sick leave each year. Beginning on the 90th day of employment, eligible employees may begin to use paid sick leave. This benefit does not accrue. Unused sick time will not be carried over from year to year. At the beginning of each sick leave year, employees will be granted the full twenty-four (24) hours or three (3) days of paid sick leave. Employees may not use paid sick leave in increments of less than two (2) hours.

Leave under this policy may be used in connection with the diagnosis, care, or treatment of an existing health condition of, or preventive care for, the employee or the employee's family member. "Family member" for purposes of this policy includes a spouse, registered domestic partner, child (regardless of the child's age), parent (including a step-parent or parent-in-law), grandparent, grandchild, or sibling. Leave under this policy may also be used by an employee who is a victim of domestic violence, sexual assault, or stalking to seek aid or medical attention, obtain services or counseling, or participate in safety planning.

City of Los Angeles

Eligible employees who perform at least two (2) hours of work in the City of Los Angeles in a calendar week will receive forty-eight (48) hours of paid sick leave each year. Beginning on the 90th day of employment, eligible employees may begin to use paid sick leave, up to a maximum of forty-eight (48) hours of paid sick leave per year. Employees may not use paid sick

leave in increments of less than two (2) hours. Any unused sick leave at the end of the year will carry over to the following year, up to a maximum cap of seventy-two (72) hours. At the beginning of each sick leave year, employees will be granted the full forty-eight (48) hours of paid sick leave, subject to the maximum cap.

For employees eligible for paid sick leave under the City of Los Angeles, “family member” also includes individuals related by blood or affinity whose close association with the employee is the equivalent of a family relationship.

San Diego

Eligible employees who work at least two (2) hours in the City of San Diego in one or more weeks of the year will receive forty (40) hours of paid sick leave each year. Upon the 90th day of employment, employees may begin to use paid sick leave. This benefit does not accrue. Unused sick time will not be carried over from year to year. At the beginning of each sick leave year, employees will be granted the full forty (40) hours of paid sick leave. Employees may not use paid sick leave in increments of less than two (2) hours.

For employees eligible for paid sick leave under the City of San Diego, leave under this policy may also be used if the employee’s place of business is closed by order of a public official due to a Public Health Emergency or the employee is providing care or assistance to a child whose school or child care provider is closed by order of a public official due to a Public Health Emergency

All Eligible Employees

For all employees, the sick leave year is based on the calendar year and runs from January 1 to December 31. Consult the Office Manager for detailed information on how the dollar amount of your sick pay is calculated and the amount you are entitled to receive. The actual dollar amount that an employee receives may vary according to the compensation plan of the employee.

Employees requesting time off under this policy must provide as much advance notice as possible, if the need for leave is foreseeable. Where your need for paid sick leave is unforeseeable, you must provide notice as soon as practicable.

Employees are encouraged to request leave under this policy without fear of retaliation. The Company will not take any adverse action against employees who exercise their rights provided under this policy. However, employees who misuse or abuse this policy, e.g., misrepresent the reason for use of paid sick leave or use paid sick leave for vacation, may be subject to disciplinary action.

Unused time under this policy will not be paid out at the time of separation from employment. However, employees who are re-employed with the Company within a year of separation will have any unused paid sick leave granted under this policy reinstated.

Employees who take more than three (3) consecutive days of paid sick leave must provide medical documentation indicating that the employee is cleared to return to work. However, the documentation need not specify the nature of the employee’s or employee’s family member’s injury, illness, or medical condition.

Leave under this policy may run concurrently with leave taken under local, state or federal law, including leave taken pursuant to the California Family Rights Act or the Family and Medical Leave Act. For more information regarding this policy, contact the Vice President.

State Mandated Insurance Benefit Programs

State Disability Insurance

By state law, we are required to deduct a certain amount from your pay to provide State Disability Insurance (“SDI”). SDI benefits are payable when you cannot work because of illness or injury unrelated to your employment. For information concerning these benefits, contact the Employment Development Department of the State of California, which administers the SDI program.

Family Temporary Disability Insurance

In addition, we are also required to withhold a certain percentage of your wages pursuant to the Family Temporary Disability Insurance Act (“FTDI”) in order to fund the Paid Family Care Leave Program. FTDI is another disability benefits program that is administered by California’s Employment Development Department which allows you to receive compensation for lost wages, for up to six (6) weeks in a twelve (12) month period, if you take time off work to provide care for a seriously ill child, spouse, parent, domestic partner, grandparent, grandchild, sibling, parent-in-law, or to bond with a new child.

Despite its name, the FTDI is not a “leave” program; it does not provide you with any entitlement to leave beyond that to which you are entitled pursuant to Company policy. You will be required to use up to two (2) weeks of accrued vacation prior to receiving FTDI benefits during any twelve (12) month period. You may also elect to use your sick leave during receipt of FTDI benefits. You must notify the Company if you intend to file for FTDI benefits.

All claims for FTDI benefits must be submitted directly to the Employment Development Department of the State of California. The Employment Development Department ultimately determines whether you are eligible to receive FTDI benefits based on the serious health condition of certain family members who require your care. You will not be eligible for FTDI benefits if you are receiving State Disability Insurance, Unemployment Compensation Insurance, or Workers’ Compensation benefits.

Workers’ Compensation Insurance

The Company pays the entire amount of the Workers’ Compensation insurance premium, which provides benefits to employees who experience injury or illness that arises out of the course and scope of employment. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses immediately. You should be aware that California law makes it a crime to knowingly file a false or fraudulent claim for Workers’ Compensation benefits, or to knowingly submit false or fraudulent information in connection with any Workers’ Compensation claim. Such conduct is also against Company policy and will result in disciplinary action up to and including termination of employment.

Training and Educational Assistance

You may be given the opportunity to attend training or educational programs in the course of your employment. The Company may reimburse you for the cost and certain expenses associated with attending an approved training or educational course. To receive reimbursement, you must (1) receive advanced written authorization from the Vice President to attend the course and (2) successfully complete the course.

You should contact the Vice President before registering for any training or other educational course to learn whether the program will be covered under the Company's policy. The Company is not responsible for the payment or reimbursement of any costs or expenses associated with your attendance at a lecture, training program or other educational program if you fail to receive advance written authorization or you fail to successfully complete the course.

Literacy Assistance

The Company will reasonably accommodate and assist employees with their literacy needs, provided the requested accommodation does not create an undue hardship for the Company. Employees who need time off to participate in an adult education program for literacy assistance should inform the Vice President so arrangements can be made to provide unpaid time off or an adjusted work schedule. Employees may choose to use any accrued vacation benefit, if available, in lieu of unpaid leave. The Company will make reasonable efforts to safeguard the employee's privacy.

Leaves of Absence

Civic Duties

The Company encourages each of you to accept your civic responsibilities. We are a good corporate citizen, and we are pleased to assist you in the performance of your civic duties.

Jury Duty: If you receive a call to jury duty, please notify your supervisor immediately so your supervisor may plan the department's work with as little disruption as possible. Unless otherwise required by state or federal law, time spent serving on jury duty will be unpaid.

Exempt employees will continue to receive their regular salary for any week in which they perform any work while on jury duty, pursuant to state and federal law.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their supervisor as soon as possible and report to work if requested.

Witness Duty: If you receive a subpoena to appear in court, please notify your supervisor immediately. You are expected to return to work as soon as your service as a witness is completed.

Voting: If you would like to vote in a public election, but do not have sufficient time to vote during non-work hours, you may arrange to take up to two (2) hours off from work with pay to vote. To receive time off for voting, you must obtain advance approval from your supervisor and must take the time off to vote either at the beginning or end of your work shift. The Company reserves the right to request a copy of your voter's receipt following any time off to vote.

Leave for Emergency Rescue Personnel

To the extent required by law, employees who are volunteer firefighters, reserve peace officers, or emergency rescue personnel may receive unpaid leave to perform emergency duty as a volunteer firefighter, reserve peace officer, or emergency rescue personnel. Such employees may also take a temporary, unpaid leave of absence, not to exceed a total of fourteen (14) days per calendar year, in order to engage in fire, law enforcement, or emergency rescue training.

If you are participating as a volunteer firefighter, reserve peace officer, emergency rescue personnel, or an officer, employee, or member of a disaster medical response entity sponsored or requested by the state, please alert your supervisor so that your supervisor is aware of the fact that you may have to take time off for emergency duty and/or training. In the event that you need to take time off for emergency duty and/or training, please alert your supervisor in writing as far in advance as possible. You must provide the Company with appropriate documentation evidencing your performance of emergency duty and/or attendance at training upon returning to work.

You may choose to use any accrued vacation or sick leave time, if available, for an absence described above.

Leave for Victims of Felony Crimes

To the extent required by law, employees who are victims of certain specified felony crimes, or who are an immediate family member of a victim, a registered domestic partner of a victim, or the child of a registered domestic partner of a victim, may receive unpaid time off from work to attend judicial proceedings related to that crime. Additionally, employees who are victims of such crimes may take unpaid time off from work to be heard at any proceeding, including any delinquency proceeding, involving a post-arrest release decision, plea, sentencing, post-conviction release decision, or any proceeding in which a right of the victim is at issue. To take this leave, you must provide the Company in advance with a copy of the notice of the proceeding. If advance notice is not possible, you must provide the Company with appropriate documentation evidencing your attendance at the judicial proceeding upon returning to work.

Leave for Victims of Domestic Violence, Sexual Assault, or Stalking

If you are a victim of domestic violence, sexual assault or stalking you may receive unpaid leave to attend legal proceedings or obtain or attempt to obtain any relief necessary, including a restraining order, to ensure your own health, safety, or welfare, or that of your child or children. You may also receive unpaid leave to: (1) obtain services from a domestic violence shelter or rape crisis center; (2) seek medical attention for injuries caused by domestic violence or sexual assault; (3) obtain psychological counseling for the domestic violence or sexual assault; or (4) take action, such as relocation, to protect against future domestic violence or sexual assault. To take this leave, you must provide the Company with advance notice of your need for leave. If advance notice is not possible, you must provide the Company with the following certification upon returning back to work: (1) a police report showing that you were a victim of domestic violence or sexual assault, (2) a court order protecting you from the perpetrator or other evidence from the court or prosecuting attorney that you appeared in court, or (3) documentation from a medical professional, domestic violence or sexual assault victim advocate, health care provider, or counselor showing that your absence was due to treatment for injuries from domestic violence or sexual assault.

You may choose to use any accrued vacation or sick leave time, if available, for an absence described above.

In addition, employees who are victims of domestic violence, sexual assault or stalking are entitled to a reasonable accommodation for the employee's safety while at work. A reasonable accommodation may include: the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, changed work station, installed lock; assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace; an implemented safety procedure; or another adjustment to the employee's job duties and position. If you require such an accommodation, please notify your supervisor or the Vice President. The Company will engage in a timely, good faith, and interactive process to determine effective reasonable accommodations. Employees are encouraged to request leave and accommodation under this policy without fear of retaliation.

School Disciplinary Action Leave

Employees who are requested by their child's school to appear at the school in connection with the suspension of their child from school will be provided unpaid time off for such purpose.

Employees must provide reasonable advance notice that they have been requested to appear at the school where feasible.

Unpaid Family School Partnership Leave

The Company encourages its employees to be involved in the education of their children. Parents, guardians, step-parents, foster parents, grandparents, or individuals standing in *loco parentis* with custody of school age children (K-12) are eligible for up to forty (40) hours of unpaid leave each year, not to exceed eight (8) hours in any calendar month, to participate in school-related activities of their children or their registered domestic partner's children. Employees may also take such leave to find, enroll, or reenroll their child in a school or with a licensed child care provider, or to participate in activities of the school or licensed child care provider, or to address child care provider or school emergencies.

You must personally notify your supervisor and the Vice President as soon as you learn of the need for a planned use of this leave. You will not be allowed time off if you do not provide your supervisor with adequate notice. The Company may require verification of the school-related activity. You are requested to schedule activities such as parent/teacher conferences during non-work hours. Employees who request leave for unauthorized purposes will be subject to disciplinary action, up to and including termination.

Leave for Organ and Bone Marrow Donors

Employees who have been employed for at least ninety (90) days and who provide written verification to the Company that they are an organ or bone marrow donor are entitled to receive a job protected paid leave of absence that may be taken in one or more periods in order to donate. Eligible organ donors are entitled to a leave of absence not to exceed thirty (30) business days in any one-year period of time. Eligible bone marrow donors are entitled to a leave of absence not to exceed five (5) business days in any one-year period. Employees will be required to use up to five (5) days of their vacation for bone marrow donor leave and up to two (2) weeks of their vacation for organ donor leave.

Pregnancy Disability Leave of Absence

Female employees may take a leave of absence up to four (4) months for disabilities relating to pregnancy, childbirth or related medical conditions (meaning a physical or mental condition intrinsic to pregnancy or childbirth). "Female employees" includes transgender employees. For the purposes of leave under this policy, "four (4) months" means the number of days the employee would normally work within four (4) calendar months (one-third of a year equaling 17 1/3 weeks), if the leave is taken continuously, following the date the pregnancy disability leave commences.

Prior to the start of your pregnancy disability leave, the Company will require a statement from your health care provider indicating that you are unable to perform your job and the anticipated date of your return. In the event your leave exceeds the anticipated date of return, it is your responsibility to provide further verification from your health care provider that you are unable to perform your job and the revised anticipated date of return. If you and/or your family participate in our group health plan, the Company will maintain coverage during your pregnancy

disability leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you and your family.

Employees granted leaves for pregnancy will be returned to their same or similar position to the extent required by state law. Upon the advice of your health care provider, you may also be entitled to reasonable accommodation, to the extent required by law, for conditions related to pregnancy, childbirth or related medical conditions. In addition, a transfer to a less strenuous or hazardous position or duties may be available pursuant to your request, if such a transfer is medically advisable. You should promptly notify the Vice President of your need for a reasonable accommodation as soon as reasonably possible.

Medical Leave of Absence

Employees who are ineligible for leave under the Family and Medical Leave Act and California Family Rights Act as provided below are nonetheless eligible for medical leave according to the following policy:

Employees are eligible for unpaid leaves of absence for medical reasons. Medical reasons may include illness, injury, medical and surgical procedures, and related medical conditions. You must request a leave of absence if you will be unable to work for medical reasons for a period in excess of three (3) consecutive days. Such requests are subject to management approval and must be made as soon as possible. Each request must be accompanied by a certification from your treating physician or Company approved physician, which states that you are unable to work and provides the duration of leave that you require. The Company reserves the right to have employees on a medical leave of absence examined by a physician of the Company's choice. The Company may require periodic physician's verification of your inability to work. Misrepresenting the reason for applying for a leave of absence may result in disciplinary action, up to and including termination.

During a medical leave of absence, the Company's medical insurance plan documents will determine whether you and your eligible dependents may continue your health insurance coverage under the Company's plan. If you remain eligible for such coverage you must pay your share of the premium the same as if you continued working. If you are not eligible to continue coverage under the Company's plan you will be issued a COBRA notice and given the option of continuing coverage at your own expense. It is the applicable plan document that ultimately governs your eligibility for and entitlement to these benefits.

Upon your return from a medical leave of absence, we will attempt to return you to your regular job if it is available. If it is not available, you will be placed in a similar job for which you are deemed by management to be qualified if such a job is available. If no jobs are available at the time, you will be given preferential consideration for any position for which you apply and for which you are deemed by management to be qualified following your notifying the Company in writing that you are ready and able to return to work.

Failure to report to work as scheduled following a leave of absence can result in dismissal. Employees who are out on leaves of absence will not accrue such benefits as vacation or holiday pay during their leaves of absence.

You should speak directly with the Vice President prior to taking a leave to ensure your understanding of all of your obligations to the Company while on leave, such as reporting and verification obligations, and your obligations to pay health insurance premiums, if applicable. Failure to comply with Company policy may substantially affect your ability to return to work and/or result in the loss of health insurance coverage.

Parental Leave

The New Parent Leave Act (“NPLA”) provides eligible employees the opportunity to take unpaid, job-protected leave to bond with a new child within one (1) year of the child’s birth, adoption, or foster care placement. The maximum amount of leave you may use is twelve (12) weeks within a twelve (12) month period.

Employee Eligibility

To be eligible for NPLA leave, you must:

- Have worked at least twelve (12) months for the Company in the preceding seven (7) years (limited exceptions apply to the seven-year requirement);
- Have worked at least 1,250 hours for the Company over the twelve (12) months preceding the date your leave would commence;
- Currently work at a location where there are at least twenty (20) employees within seventy-five (75) miles; and
- Not be currently subject to both the Family Medical Leave Act and the California Family Rights Act (“FMLA/CFRA”).

All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining NPLA eligibility.

Identifying the 12-Month Period

The Company measures the twelve (12) month period in which leave is taken by the “rolling” twelve (12) month method, measured backward from the date of any NPLA leave. NPLA leave to bond with a new child must be concluded within twelve (12) months of the birth, adoption, or placement of the child.

If Both Parents Are Employees

In any case in which both parents entitled to leave under NPLA are employed by the Company, the Company may, in its sole discretion, permit simultaneous leave to both of these employees, not to exceed twelve (12) aggregate weeks of leave time.

Use of Paid Leave

You may choose to use accrued paid leave (such as sick leave, vacation, or PTO), concurrently with some or all of your NPLA leave.

Maintenance of Health Benefits

If you and/or your family participate in our group health plan, the Company will maintain coverage during your NPLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you and your family. Use of NPLA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave. Consult the applicable plan document for all information regarding eligibility, coverage and benefits.

Notice

When seeking NPLA leave, you must provide:

- Thirty (30) days advance notice of the need to take NPLA leave, if the need for leave is foreseeable, or notice as soon as practicable in the case of unforeseeable leave and in compliance with the Company's normal call-in procedures, absent unusual circumstances; and
- Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

Employer Responsibilities

To the extent required by law, the Company will inform you whether you are eligible for leave under the NPLA. Should you be eligible for NPLA leave, the Company will provide you with a notice that specifies any additional information required as well your rights and responsibilities. The Company will also inform you if leave will be designated as NPLA-protected and, to the extent possible, note the amount of leave counted against your leave entitlement. If you are not eligible for NPLA leave, the Company will provide a reason for the ineligibility.

Job Restoration

Upon returning from NPLA leave, you will be restored to your original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

Failure to Return after NPLA Leave

If you fail to return to work as scheduled after NPLA leave or you exceed the twelve (12) week NPLA entitlement, you will be subject to the Company's standard leave of absence and attendance policies. This may result in termination if you have no other Company-provided leave

available to you that applies to your continued absence. Likewise, following the conclusion of your NPLA leave, the Company's obligation to maintain your group health plan benefits may end (subject to any applicable COBRA rights).

Other Employment

The Company prohibits employees from holding other employment, including self-employment, while on leave of absence. This policy remains in force during all leaves of absence including NPLA leave and violation may result in disciplinary action, up to and including immediate termination of employment.

Fraud

Providing false or misleading information or omitting material information in connection with an NPLA leave will result in disciplinary action, up to and including immediate termination.

Family and Medical Leave Act/California Family Rights Act

The Family and Medical Leave Act and California Family Rights Act ("FMLA/CFRA") provide eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave you may use is either twelve (12) or twenty-six (26) weeks within a twelve (12) month period depending on the reasons for the leave.

Employee Eligibility

To be eligible for FMLA/CFRA leave, you must:

- Have worked at least twelve (12) months for the Company in the preceding seven (7) years (limited exceptions apply to the seven-year requirement);
- Have worked at least 1,250 hours for the Company over the twelve (12) months preceding the date your leave would commence; and
- Currently work at a location where there are at least fifty (50) employees within seventy-five (75) miles.

All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining FMLA eligibility.

Conditions Triggering Leave

FMLA and/or CFRA leave may be taken for the following reasons:

- Birth of a child, or to care or bond with a newly-born child including incapacity due to pregnancy or prenatal medical care;
- Placement of a child with the employee and/or the employee's registered domestic partner for adoption or foster care or to care or bond with the child;

- To care for an immediate family member (employee's spouse, registered domestic partner, child, registered domestic partner's child, or parent) with a serious health condition;
- Because of the employee's serious health condition that makes the employee unable to perform the employee's job;
- To care for a Covered Servicemember with a serious injury or illness related to certain types of military service (see Military-Related FMLA Leave for more details); or,
- To handle certain qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on duty under a call or order to active duty in the Uniformed Services (up to 12 weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a twelve (12) month period for all reasons combined is twelve (12) weeks, with one exception. For leave to care for a Covered Servicemember, the maximum combined leave entitlement is twenty-six (26) weeks, with leaves for all other reasons constituting no more than twelve (12) of those twenty-six (26) weeks. Also, in addition to leave available under the FMLA and CFRA, female employees may be eligible for leaves of absence during periods of disability associated with pregnancy or childbirth. Please see the Pregnancy Disability Leave of Absence Policy for further information on this type of leave.

Definitions

A "Serious Health Condition" is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities for more than three full calendar days. The continuing treatment requirement includes two visits to a health care provider or one visit to a health care provider and a continuing regimen of care. An incapacity caused by pregnancy or prenatal visits, a chronic condition (such as asthma, diabetes or migraines) that continues over an extended period of time and requires periodic visits (at least two per year) to a health care provider, permanent or long-term conditions requiring supervision but not active treatment by a health care provider, or absences due to multiple treatments ordered by a health care provider may also meet the definition of a Serious Health Condition.

Identifying the 12-Month Period

The Company measures the twelve (12) month period in which leave is taken by the "rolling" twelve (12) month method, measured backward from the date of any FMLA/CFRA leave with one exception. For leave to care for a covered servicemember, the Company calculates the twelve (12) month period beginning on the first day the eligible employee takes FMLA leave to care for a Covered Servicemember and ends twelve (12) months after that date. FMLA/CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of the birth or placement.

Using Leave

Eligible employees may take FMLA/CFRA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule (including the elimination of required overtime) when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a Covered Servicemember, their injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is generally not permitted for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care; such leave must be taken in at least two week increments. Employees who require intermittent or reduced-schedule leave for planned medical treatment must try to schedule their leave so that it will not unduly disrupt the Company's operations. Intermittent leave is permitted in increments of at least one hour.

Use of Paid Leave

Depending on the purpose of your leave request, you may choose (or the Company may require you) to use accrued paid leave (such as sick leave, vacation, or PTO), concurrently with some or all of your FMLA/CFRA leave. In order to substitute paid leave for FMLA/CFRA leave, an eligible employee must comply with the Company's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.). Additionally, depending on the purpose of your leave request, you may choose to take leave pursuant to a short- or long-term disability leave plan, during the otherwise unpaid portion of your FMLA/CFRA leave. This paid disability leave runs concurrently with FMLA/CFRA leave, and may continue longer than the FMLA/CFRA leave if permitted by the disability leave plan.

Maintenance of Health Benefits

If you and/or your family participate in our group health plan, the Company will maintain coverage during your FMLA/CFRA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you and your family. Use of FMLA/CFRA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave. Consult the applicable plan document for all information regarding eligibility, coverage and benefits.

Notice and Medical Certification

When seeking FMLA/CFRA leave, you must provide:

- Thirty (30) days advance notice of the need to take FMLA/CFRA leave, if the need for leave is foreseeable, or notice as soon as practicable in the case of unforeseeable leave and in compliance with the Company's normal call-in procedures, absent unusual circumstances;
- Medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within fifteen (15) calendar days of the Company's request to provide the certification (additional time may be permitted in some circumstances). If you fail to do so, we may delay the

commencement of your leave, withdraw any designation of FMLA/CFRA leave or deny the leave, in which case your leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting you to disciplinary action up to and including termination. Second or third medical opinions and periodic re-certifications may also be required;

- Periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
- Medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition, unless your absence was taken on an intermittent or reduced leave schedule. The Company will require this certification to address whether you can perform the essential functions of your position.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

Employer Responsibilities

To the extent required by law, the Company will inform you whether you are eligible for leave under the FMLA/CFRA. Should you be eligible for FMLA/CFRA leave, the Company will provide you with a notice that specifies any additional information required as well your rights and responsibilities. The Company will also inform you if leave will be designated as FMLA/CFRA-protected and, to the extent possible, note the amount of leave counted against your leave entitlement. If you are not eligible for FMLA/CFRA leave, the Company will provide a reason for the ineligibility.

Job Restoration

Upon returning from FMLA/CFRA leave, you will be restored to your original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

Failure to Return after FMLA/CFRA Leave

If you fail to return to work as scheduled after FMLA/CFRA leave or you exceed the twelve (12) week FMLA/CFRA entitlement (or in the case of military caregiver leave, the twenty-six (26) week FMLA entitlement), you will be subject to the Company's standard leave of absence and attendance policies. This may result in termination if you have no other Company-provided leave available to you that applies to your continued absence. Likewise, following the conclusion of your FMLA/CFRA leave, the Company's obligation to maintain your group health plan benefits may end (subject to any applicable COBRA rights). If you are unable to return to work after FMLA/CFRA leave, you must notify the Vice President. Once the Company is aware of the need for additional leave, the Company will engage in an interactive process to determine whether additional leave may be provided as a reasonable accommodation.

Other Employment

The Company prohibits employees from holding other employment, including self-employment, while on leave of absence. This policy remains in force during all leaves of absence

including FMLA/CFRA leave and violation may result in disciplinary action, up to and including immediate termination of employment.

Fraud

Providing false or misleading information or omitting material information in connection with an FMLA/CFRA leave will result in disciplinary action, up to and including immediate termination.

Military-Related FMLA Leave

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

Definitions

A “covered servicemember” is either: (1) a current servicemember of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness incurred in the line of duty for which the servicemember is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list; or (2) a “covered veteran” who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A “covered veteran” is an individual who was discharged under conditions other than dishonorable during the five (5) year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009 and March 8, 2013 is excluded in determining this five (5) year period.

The FMLA definitions of “serious injury or illness” for current servicemembers and veterans are distinct from the FMLA definition of “serious health condition.” For purposes of Military-Related FMLA Leave, the term “serious injury or illness” means an injury or illness incurred by the servicemember in the line of duty while on active duty in the Armed Forces that may render the servicemember medically unfit to perform the duties of the servicemember’s office, grade, rank, or rating, or one that existed before the beginning of active duty and was aggravated by service in the line of duty while on active duty.

With regard to covered veterans, the serious injury or illness may manifest itself before or after the individual assumed veteran status, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when the covered veteran was a member of the Armed Forces and rendered the servicemember unable to perform the duties of the servicemember’s office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would be so absent treatment; or (4) an injury, including a psychological injury, on the basis of

which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the deployment, rest and recuperation, counseling, parental care, and post-deployment debriefings.

Military Caregiver Leave

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. The family member must be a “covered servicemember,” which means: (1) a current member or veteran of the Armed Forces, National Guard or Reserves, (2) who is undergoing medical treatment, recuperation, or therapy or, in the case of a veteran, who was a current member of the Armed Forces, National Guard or Reserves, who was discharged or released under conditions other than dishonorable at any time within five years prior to the treatment which an eligible employee requests; is otherwise in outpatient status; or is otherwise on the temporary disability retired list, (3) for a serious injury or illness that may render current member medically unfit to perform the duties of the member’s office, grade, rank, or rating. Military Caregiver Leave is not available to care for servicemembers on the *permanent* disability retired list. Serious injury or illness specifically includes, but is not limited to, aggravation of a preexisting condition while in the line of duty.

To be eligible for Military Caregiver Leave, you must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. “Next of kin” means the nearest blood relative of the servicemember, other than the servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as their nearest blood relative for purposes of Military Caregiver Leave. You must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to twenty-six (26) workweeks of Military Caregiver Leave to care for a covered servicemember in a “single twelve (12) month period.” The “single twelve (12) month period” begins on the first day leave is taken to care for a covered servicemember and ends twelve (12) months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If you do not exhaust your twenty-six (26) workweeks of Military Caregiver Leave during this “single twelve (12) month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than twenty-six (26) workweeks of Military Caregiver Leave, however, may be taken within any single twelve (12) month period.

Within the “single twelve (12) month period” described above, an eligible employee may take a combined total of twenty-six (26) weeks of FMLA leave including up to twelve (12) weeks

of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single twelve (12) month period,” an eligible employee may take up to sixteen (16) weeks of FMLA leave to care for a covered servicemember when combined with up to ten (10) weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or covered servicemember and completed by an authorized health care provider within fifteen (15) days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Qualifying Exigency Leave

Eligible employees may take unpaid “Qualifying Exigency Leave” to tend to certain “exigencies” arising out of the duty under a call or order to active duty of a “covered military member” (i.e. the employee’s spouse, son, daughter, or parent). Up to twelve (12) weeks of Qualifying Exigency Leave is available in any twelve (12) month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of twenty-six (26) weeks of leave in a “single twelve (12) month period”). The maximum amount of “Qualifying Exigency Leave” an employee may utilize to bond with a military member on short-term, temporary rest and recuperation during deployment is fifteen (15) days.

Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed twelve (12) weeks in any twelve (12) month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

- Short-notice deployment. To address any issue that arises out of short notice (within seven days or less) of an impending call or order to active duty.
- Military events and related activities. To attend any official military ceremony, program, or event related to active duty or a call to active duty status or to attend certain family support or assistance programs and informational briefings.

- Childcare and school activities. To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
- Financial and legal arrangements. To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.
- Counseling. To attend counseling (by someone other than a health care provider) for the employee, the covered military member, or for a child or dependent when necessary as a result of duty under a call or order to active duty.
- Temporary rest and recuperation. To spend time with a covered military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to fifteen (15) of days of leave for each instance of rest and recuperation. If your spouse or registered domestic partner is a member of the military, you may be entitled to an additional ten (10) days of unpaid leave. Please refer to the Military Leave of Absence below for more details.
- Post-deployment activities. To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to ninety (90) days following termination of the covered military member's active duty status. This also encompasses leave to address issues that arise from the death of a covered military member while on active duty status.
- Mutually agreed leave. Other events that arise from the close family member's call or order to active duty, provided that the Company and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the covered military member's active duty orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within fifteen (15) days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Personal Leave of Absence

Additional types of unpaid personal leaves of absence may be granted in the sole discretion of management, for up to a maximum of thirty (30) days. An extension beyond thirty (30) days will be considered on an individual basis.

Failure to report to work as scheduled following a personal leave of absence may result in disciplinary action, including termination. Time spent on personal leave of absence will not be used for computing benefits such as vacation or holidays.

You should speak directly with the Vice President prior to taking a leave to ensure your understanding of all of your obligations to the Company while on leave, such as your periodic reporting and re-verification obligations. Failure to comply with Company policy may substantially affect your ability to return to work under this policy.

Bereavement Leave

Full-time employees are eligible to receive up to three (3) days of unpaid bereavement leave in the event they miss regularly scheduled work days due to the death or funeral of a member of the employee's immediate family. Immediate family includes your spouse, registered domestic partner, children, stepchildren, registered domestic partner's children, parents, grandparents, grandchildren, brother or sister, your spouse's parents, or your registered domestic partner's parents.

Employees who are notified of a death in their immediate family while at work will be paid for the remainder of the scheduled hours that day. The three (3) day eligibility for unpaid bereavement leave will not commence until the next regularly scheduled work day which is lost. All time off in connection with the death of an immediate family member, as defined above, should be scheduled with your supervisor.

An employee may use any available accrued unused vacation benefit in lieu of this unpaid bereavement leave.

Civil Air Patrol Leave

The Company will provide eligible employees who are volunteer members of the California Wing of the Civil Air Patrol and are called to emergency operational missions up to ten (10) days of unpaid leave per calendar year. Leave for a single emergency operational mission cannot exceed three (3) days unless an extension is granted by appropriate government entities and approved by the Company.

To be eligible, employees must have been employed with the Company for ninety (90) days immediately preceding the commencement of leave.

Employees are expected to notify the Company of the need for Civil Air Patrol Leave by providing their supervisor with certification from Civil Air Patrol authorities as soon as possible. The Company will restore employees who return from Civil Air Patrol leave to their former position or to a position of equivalent seniority status, employee benefits, pay and other terms and conditions of employment.

Military Leave of Absence

Employees who require time off from work to fulfill military duties will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify the Company of upcoming military duty by providing your supervisor with a copy of your orders as soon as possible. In addition, spouses and registered domestic partners of military personnel who are home on leave during a period of military deployment may be qualified for ten (10) days of unpaid leave.

What We Expect of You

This section of your handbook discusses your responsibilities to the Company as an employee. Please thoroughly familiarize yourself with these policies and apply them in your work.

The following policies focus on basic rules that may not be violated under any circumstances. Violation of any of these basic rules, the policies in this handbook, or any other policy of the Company or misconduct on your part may lead to disciplinary action, up to and including immediate termination. Obviously, this list is not all inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination. If you have any questions about these basic rules, or what we expect of you as one of our employees, please discuss them with your supervisor.

These rules do not alter the at-will nature of your employment. You have the right to terminate your employment at any time, with or without cause or notice, and the Company has a similar right.

Employee Conduct

Absenteeism and Tardiness

You are expected to be at your work station on time each day and to remain there throughout your work day. Absenteeism or tardiness, even for good reasons, is disruptive of our operations and interferes with our ability to satisfy our customers' needs. Absenteeism or tardiness can result in disciplinary action, up to and including termination.

If you are going to be late or absent from work for any reason, you must personally notify your supervisor as far in advance as possible so that proper arrangements can be made to handle your work during your absence. Of course, some situations may arise in which prior notice cannot be given. In those circumstances, you are expected to notify your supervisor as soon as possible or practicable. Leaving a message, voice mail or sending an email or text message does not qualify as notifying your supervisor - you must *personally* contact your supervisor. If you are required to leave work early, you must also personally contact your supervisor and obtain permission. Leaving work early without authorization of your supervisor is strictly prohibited.

When absence is due to illness, the Company may require appropriate medical documentation in accordance with state and federal law.

Although you may be terminated at any time for failing to report to work without contacting the Company, if you fail to report for work or call in for more than three (3) consecutive calendar days, you may be considered to have abandoned your job and may be terminated.

Alcohol and Drug Policy

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using illegal drugs and marijuana (regardless of prescription) or other unauthorized or mind-altering or intoxicating substances while on Company property (including parking areas and grounds), or while otherwise performing their work duties away from the Company's

premises. Included within this prohibition are lawful controlled substances, which have been illegally or improperly obtained. This policy does not prohibit the possession and proper use of lawfully prescribed drugs other than marijuana taken in accordance with the prescription.

Employees are also prohibited from having any such illegal or unauthorized controlled substances (and marijuana regardless of prescription) in their system while at work, and from having excessive amounts of otherwise lawful controlled substance in their systems. This policy does not apply to the authorized dispensation, distribution or possession of legal drugs where such activity is a necessary part of an employee's assigned duties.

All employees are prohibited from distributing, dispensing, possessing or using alcohol while at work or on duty. Furthermore, off-duty alcohol use, while generally not prohibited by this policy, must not interfere with your ability to perform the essential functions of your job. From time to time, the Company may host events where alcohol is served. During these authorized Company events, employees are permitted to engage in moderate consumption of alcohol that is served. Employees are expected to exercise good personal judgement concerning alcohol consumption and must not over indulge.

Prescription Drugs

With the exception of medically prescribed marijuana, the proper use of medication prescribed by your physician is not prohibited; however, we do prohibit the misuse of prescribed medication. Employees' drug use may affect their job performance, such as by causing dizziness or drowsiness. You are required to disclose any medication that may cause a risk of harm to yourself or to others in performing your job duties. It is your responsibility to determine from your physician whether a prescribed drug may impair your job performance.

Notification of Impairment

It shall be the responsibility of each employee who observes or has knowledge of another employee in a condition which impairs the employee in the performance of their job duties, or who presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, to promptly report that fact to their supervisor or another member of management.

Who is Tested

You may be required to submit to drug or alcohol screening whenever the Company has a reasonable suspicion that you have violated any of the rules set forth in this policy. Reasonable suspicion may arise from, among other factors, supervisory observation, co-worker reports or complaints, performance decline, attendance or behavioral changes, results of searches or other detection methods, or involvement in a work related injury or accident that may have been caused by drug or alcohol impairment. Injury or accident-based testing does not apply where the incident or accident is unlikely to have occurred as a result of drug or alcohol use, or where the cause of the incident or injury is known or clear (e.g., back sprains from lifting a heavy object, bug bites that require treatment, etc.).

Additionally, employees in safety sensitive positions may be tested on a random or periodic basis to the extent permitted by applicable state and federal laws.

Discipline

Violation of this policy or any of its provisions may result in disciplinary action, up to and including termination of employment.

Enforcement Policy

In order to enforce this policy and procedures, the Company may investigate potential violations and require employees to undergo drug or alcohol screening, including urinalysis, blood tests or other appropriate tests and, where appropriate, searches of all areas of the Company's physical premises, including, but not limited to work areas, personal articles, employees' clothes, desks, work stations, lockers, and personal and company vehicles. You will be subject to disciplinary action up to and including termination of employment for refusing to cooperate with searches or investigations, refusing to submit to screening, tampering with any screening sample, or for failing to execute consent forms when required by the Company.

Investigations/Searches

Where a manager or supervisor has reasonable suspicion that an employee has violated the substance abuse policy, the supervisor, or the supervisor's designee, may inspect vehicles, lockers, work areas, desks, purses, briefcases, backpacks, and other locations or articles without prior notice in order to ensure a work environment free of prohibited substances. You may be asked to be present and remove a personal lock from a locker or locked container. A locked locker or container does not prevent the Company from searching such article. Employees therefore should have no expectation of privacy in personal belongings brought onto Company premises and locked in a locker or locked container. Where employees are not present or refuse to remove a personal lock, the Company may do so for them, and compensate the employees for the lock.

What Happens When an Employee Tests Positive for Prohibited Substances

All employees who test positive in a confirmed substance test will be subject to disciplinary action, up to and including termination.

Attitude

All employees must display a positive attitude towards their job and arrive to work motivated to perform their job duties. A bad attitude creates a difficult working environment and prevents the Company from providing quality service to our customers. If you consistently fail to approach your job duties with a positive attitude, you may be disciplined or terminated.

Courtesy and Professionalism

Employees who engage in contact with customers, vendors, and/or members of the public in the course of their job duties must show such persons courtesy and professionalism at all times. Rudeness, profanity or disruptive conduct in the presence of our customers, vendors, or members of the public will not be tolerated.

Damage to Property

Deliberate or careless damage to the Company's property, as well as damage to your co-workers', vendors', or customers' property, will not be tolerated.

Fraud, Dishonesty and False Statements

Employees and applicants are prohibited from providing false, dishonest or misleading information on any application, medical history record, leave request, invoice, paperwork, time card or time sheet, time entry, investigative questionnaire, workplace injury report or any other Company document. Employees are likewise prohibited from making any materially dishonest or false statement to an employee, vendor, or customer with respect to the performance of the employee's job duties. Under the law, an employee may be held personally liable for making misrepresentations to customers. It is also against the law and against Company policy for an employee to provide, or assist a customer in providing, false or misleading information on a credit application or regarding credit status to any financial institution.

Any employee found to have made false, dishonest or misleading statements or omissions as detailed above will be subject to immediate termination of employment. If you observe any such violations, please report them to the President or other member of management immediately.

Gambling

Gambling is prohibited on Company property, or through the use of the Company's property such as computers and telephone equipment.

Gifts and Gratuities

Employees may not request or accept any gift or gratuity of any kind from a customer or supplier without the express written authorization of the President.

Illegal Activity

Employees are not permitted to engage in any kind of illegal activity while on duty or on the Company's property, or while off the job which reflects detrimentally on the Company's reputation.

Insubordination

We all have duties to perform and everyone, including supervisors, must follow directions from their supervisor or manager. You shall not refuse to follow the reasonable, job-related directions of a supervisor or management official or to treat a supervisor or management official in an insubordinate manner. For example, employees must fully cooperate with Company investigations into potential misconduct. Refusal to fully disclose information in the course of a Company investigation constitutes insubordination and will not be tolerated.

Misuse of Property

No employee shall misuse, or use without authorization, equipment, vehicles or other property of the Company, customers, vendors, or other employees of the Company.

Off-Duty Use of Facilities

Employees are prohibited from being on Company premises or making use of Company facilities while not on duty. Employees are expressly prohibited from using Company facilities, Company property or Company equipment for personal use.

Off-Duty Social and Recreational Activities

During the year, the Company may sponsor social or recreational activities for its employees. Your attendance at such social activities, however, is completely voluntary and is not required as a condition of employment. Neither the Company nor its insurer will be liable for the payment of workers' compensation benefits for any injury that arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not part of your job duties.

Outside Employment

It is important that other employment, as well as outside interests, do not interfere in any way with your job with the Company. You should be careful that extra hours of work do not affect the safe performance of your job duties by leaving you tired or distracted. Also, if your second job creates a potential conflict of interest (i.e., working for a competitor) you are required to obtain written approval, in advance, from the Vice President or the President.

Personal Appearance and Behavior

We expect all employees to use good judgment with respect to their dress and appearance and to present a neat, well-groomed appearance and a courteous disposition. We feel that these qualities go further than any other factor in making a favorable impression on customers and your co-workers.

Employees shall dress and present themselves in a businesslike manner that reflects a professional image. Flashy, ill-fitting, revealing, offensive and other non-businesslike and distracting clothing are unacceptable. Employees who are provided with Company uniforms shall keep them in a neat and clean condition and must wear them at all times when on duty. Employees who report to work in unacceptable attire may be requested to leave work and return in acceptable attire. Such time away from work will be without pay.

Employees are also expected to behave and conduct themselves in a professional manner at all times in the workplace. Unprofessional behavior in the workplace, such as inappropriate comments, jokes, practical jokes, gestures, sexually related conversations or text messages, inappropriate touching of another employee (such as kissing, hugging, massaging, sitting on laps), and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

Personal Mail

All mail which is delivered to the Company is presumed to be related to our business. Mail or packages sent to you at the Company will be opened by office personnel and routed to your department. If you do not wish to have your correspondence handled in this manner, please have it delivered to your home or personal mailbox.

Company postage meters and letterhead may not be used for personal correspondence.

Personal Telephone Calls and Visits

The Company has a limited number of telephone lines, and it is essential that we keep those lines open for business calls. Therefore, we ask our employees to refrain from making or receiving personal calls except in emergencies. Long distance business calls must be cleared by your supervisor unless your job duties include the routine making of long distance calls. Employees will be held financially responsible for unauthorized calls and will be subject to disciplinary action, up to and including immediate termination.

Personal visits by friends or relatives during work hours can be disruptive to our operations and are strongly discouraged. If you receive a non-business-related visit from a friend or relative, you must notify your supervisor at the time of your guest's arrival and departure. Non-employees are strictly forbidden from entering unauthorized areas.

Poor Performance

You are expected to make every effort to learn your job and to perform at a level satisfactory to the Company at all times. Consistent failure to do so may result in disciplinary action, up to and including termination.

Romantic or Sexual Relationships with Other Employees

The Company has adopted this policy because of the potential problems posed by romantic or sexual relationships between employees. These problems include conflicts of interest, interference with the productivity of co-workers, and potential charges of sexual harassment. Such problems can be particularly serious in situations in which one person has a position of authority over the other, such as in a supervisor-subordinate position.

The Company imposes the following restrictions on romantic or sexual relationships between employees:

1. A supervisor or manager must not engage in a romantic or sexual relationship with a subordinate employee under any circumstances.
2. If a supervisor or manager becomes involved in a romantic or sexual relationship with a non-subordinate non-management employee, the supervisor or manager must disclose the existence of such relationship immediately to the Vice President. The Company will take all steps it deems necessary to prevent conflicts of interest and potential legal claims.

3. All employees must avoid romantic or sexual relationships with other employees that create conflicts of interest, potential charges of sexual harassment, or discord or conflicts in the workplace.
4. All employees are expected to behave in a professional manner and avoid inappropriate displays of affection, arguments over relationship issues, etc., in the workplace.

Questions and clarifications will be addressed by the Vice President.

Sleeping

Everyone needs to be fully alert while on the job in order to protect the safety of all employees and to properly serve our customers. Therefore, we cannot tolerate sleeping or inattention on the job.

Smoking

Smoking is prohibited in all Company buildings and vehicles. This policy specifically extends to electronic cigarettes (“e-cigarettes”) or any other personal vaporizing devices. Smoking must be confined to designated outdoor areas. Of course, smoking is prohibited in all areas where paint and flammable materials are present.

Solicitation - Distribution Policy

Our primary goal at the Company is to provide our customers with the best service possible. In order to allow employees to perform their job duties and provide our customers with their undivided attention, the solicitation by an employee of another employee for the support of any organization is prohibited during the working time of either employee. In addition, the distribution of paper advertising materials, handbills or other literature is prohibited in all working areas and sales areas at all times. Similarly, non-employees may not come on the Company’s property at any time to solicit for any cause or distribute material or literature of any kind for any purpose.

Theft

Theft of money or property from the Company, your co-workers or customers is strictly prohibited. Employees found to have stolen or misappropriated money or property will be subject to immediate termination and will also be reported to law enforcement. The Company reserves the right to inspect all purses, briefcases, backpacks, packages, lockers and vehicles on the Company’s property. Failure to cooperate in such a search will result in disciplinary action, up to and including termination.

Workplace Violence Policy

The Company has a zero tolerance policy for violent acts or threats of violence against our employees, applicants, customers or vendors.

We do not allow fighting, threatening words or conduct. Weapons of any kind are strictly prohibited and not permitted on Company premises.

No employee may commit or threaten to commit any violent act against a co-worker, applicant, customer or vendor. This includes discussions of the use of dangerous weapons, such as bombs, guns, or knives, even in a joking manner.

Employees who are subjected to or threatened with violence by a co-worker, customer or vendor, or are aware of another individual who has been subjected to or threatened with violence, are to report this information to their supervisor or the Vice President as soon as possible.

All threats should be taken seriously. Please bring all threats to our attention so that we can deal with them appropriately.

All threats will be thoroughly investigated, and all complaints which are reported to management will be treated with as much confidentiality as possible.

Procedures and Guidelines

Background Screening

To ensure that employees of the Company continue to be qualified and continue to have a strong potential to be productive and successful, to further ensure that the Company maintains a safe and productive work environment free of any form of violence, harassment or misconduct, and to determine eligibility for promotion, re-assignment or retention, the Company reserves the right to conduct background screening on all of its employees.

Should you have any questions regarding the Company's background screening policy, please contact the Vice President.

Bulletin and Message Boards

The Company may maintain a bulletin or message board(s) as a source of information for employees. Any such bulletin or message board is to be used solely to post information approved by the Company regarding Company policies, governmental regulations, and other matters of concern to all employees. No information may be placed on these bulletin or message boards without the prior approval of the Vice President.

Company Keys/Entry Cards

Each employee to whom a key and/or entry card is given is responsible for proper use of that key and/or entry card and will be required to sign for it. A lost or misplaced key and/or entry card must be reported immediately to your supervisor. Never duplicate or loan a key and/or entry card to anyone for any reason. See your supervisor if you need another key and/or entry card. All keys and/or entry cards must be turned in to the Vice President upon separation from the Company. Employees who take a leave of absence must turn in any keys and/or entry cards prior to beginning their leave.

Company Vehicles

Only authorized employees may operate Company vehicles. If a Company vehicle incurs any damage while under the charge of a particular employee, that employee must report the damage immediately.

You must hold a valid state driver's license for the class of vehicle you are driving. Further, you may never use a motorcycle to conduct business or provide transportation for a customer or fellow employee. All persons in Company vehicles are required to use their seatbelts. Not using seatbelts in a Company vehicle may lead to disciplinary action, up to and including termination. Only persons authorized by your supervisor can be passengers in Company vehicles. Permitting unauthorized passengers may lead to disciplinary action, up to and including termination.

You must notify the Company immediately of any change in the status of your driving record. Any employee whose duties include the operation of Company or customer vehicles who is convicted of DUI/DWI or for reckless driving will be considered to have an unacceptable driving record and the employee's continued employment will be subject to review. Any employee whose

duties include the operation of Company or customer vehicles who becomes uninsurable under the Company's liability policy will be considered to have an unacceptable driving record and the employee's continued employment will be subject to review.

If you receive a traffic citation while operating a Company or customer vehicle, you will be responsible for paying any fine or penalty. If you are involved in a traffic accident while operating a Company or customer vehicle, you are required to call 911 and report the accident. You must also report the accident to the Vice President immediately.

Mileage Reimbursement: Employees who must use their personal car for Company business will be reimbursed at the IRS Standard Mileage Rate. Mileage reimbursements are intended to cover expenses related to the operation of a personal vehicle, including the price of gasoline, insurance, maintenance, and ordinary wear-and-tear costs.

Conflicts of Interest

Our policy forbids employees from engaging in any other business which competes with the Company. Company policy also forbids an employee from holding a financial or ownership interest in an entity that does business with or is a competitor of the Company (except where such ownership consists of securities of a corporation regularly traded on the public stock market). Providing consulting services to any entity that does business with or is a competitor of the Company, except with the knowledge and written consent of the President of the Company, is also prohibited. If you think that there is a possibility that any business venture of yours may conflict with this policy, it is your responsibility to notify the President and obtain approval in writing.

Hazardous and Toxic Materials

If your job requires that you use hazardous or toxic materials, you are expected to comply with all laws, rules and regulations concerning their safe handling and disposal. If you have any questions about the materials you work with or the proper safety or disposal procedures to follow, please discuss them with your supervisor before taking any action.

Housekeeping

Employees must maintain their work areas in a neat and orderly manner. At the close of each business day, ensure that all equipment is cleaned and put away. Employees may not litter or discard such items as cigarettes or food wrappers on the premises. Remember, we want our customers to look at us as a professional, neat organization.

Work areas must be maintained in a clean, healthy and orderly fashion to prevent unsafe conditions and potential accidents. If you observe conditions or equipment which are potentially dangerous, report them immediately to your supervisor. It is each employee's responsibility to make sure the work area is clean and orderly at the completion of the scheduled work shift.

Meetings

From time to time, individual or staff meetings may be held for the purpose of providing instruction, training, or counseling or to review Company operating policies. You are required to attend all Company meetings involving your department or which you have been asked to attend, unless excused by your supervisor.

Parking

So that we will have sufficient and convenient parking for our customers, we require all of our employees to park their vehicles in the area designated for employee parking. If you have any questions as to where you should park your vehicle, please ask your supervisor.

Personnel Records

Recognizing the confidential nature of the information in your personnel record, the Company limits access to the personnel records to you and those with proper authorization or pursuant to legal process.

No documents contained in your personnel file will be released without your consent, except pursuant to legal process. Any records of medical evaluation results will be maintained in a separate file, in accordance with legal requirements, and may only be reviewed by authorized individuals.

You may review your own personnel file with the Vice President present to answer any questions. Additionally, a manager may review your personnel file if you have a current reporting relationship to that manager or have been interviewed and are being considered for a position reporting to that manager. Your personnel records also are subject to review by investigative agencies, or during periodic internal audits conducted by the Company.

Within thirty (30) days of an employee's written request, or the written request of the employee's designated representative, the Company will either make personnel records available to the employee for inspection or provide a copy of the employee's personnel records to the employee or the employee's designated representative. The employee shall be responsible for the cost of copying the records.

Safety

It is our policy to promote safety on the job. The health and well-being of our employees is foremost among the Company's concerns. For this reason, you are urged to follow common sense safety practices and correct or report any unsafe condition to your supervisor. Each employee is expected to assist the Company in maintaining safe working conditions. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: SAFETY FIRST.

All accidents -- including those which do not involve serious injury and those involving customers - must be reported immediately to your supervisor. It is only through full knowledge of every accident that the Company can become a safer, healthier place to work for everyone.

Consult the Company's Injury and Illness Prevention Program (IIPP) for additional information.

Searches and Inspections

In order to protect the safety and property of all of our employees, the Company reserves the right to inspect employees' lockers, desks, cabinets, briefcases, backpacks, toolboxes, purses, personal computers, personal motor vehicles and any other personal belongings brought onto Company property. Employees are expected to cooperate in any search. Failure to cooperate will result in disciplinary action up to and including termination of employment.

Technology and Information

Cellular Phones, Smart Phones, Tablets, and Other Handheld Electronic Devices

Excessive use of personal cellular phones, smart phones, tablets, and other handheld electronic devices (“handheld devices”) during the workday can interfere with employee productivity and be distracting to others. Employees are, therefore, prohibited from using handheld devices for personal purposes during working hours except in an emergency. Employees should ensure that friends and family members are aware of the Company’s policy.

Employees may not use a handheld device in a manner that violates our No Harassment Policy, Equal Employment Opportunity Policy, or any other Company policies.

The Company will not be liable for the loss of handheld devices brought into the workplace.

Personal Use of Company-Provided Handheld Devices

Where job or business needs demand immediate access to an employee, the Company may issue a business-owned handheld device to an employee for work-related communications. These handheld devices should be used in accordance with this policy. The Company reserves the right to deduct from an employee paycheck any charges incurred for an employee’s personal or unauthorized use of the handheld devices.

Recording Devices

Employees are prohibited from taking photographs or making audio or video recordings of our customers at any time. Employees are prohibited from taking photographs or copying for their own use confidential business documents not related to employee wages or working conditions at any time. These prohibitions include the use of handheld devices equipped with cameras and audio and video recording capabilities. Employees who violate this policy are subject to disciplinary action, up to and including immediate termination of employment.

Safety Issues for Handheld Devices

Employees are required to refrain from using handheld devices while driving in connection with their job duties, except as set forth below. Safety must come before all other concerns. You are not permitted to use any electronic wireless communications device to write, send, or read any text-based communication, including text messages, instant messages, and/or emails while driving. Regardless of the circumstances, including slow or stopped traffic, you are required to pull over to the side of the road and safely stop the vehicle before using any handheld device. Under no circumstances are employees allowed to place themselves or anyone else at risk to communicate via handheld devices.

Employees who are charged with traffic violations resulting from the use of handheld devices while driving will be solely responsible for all fines, penalties and liabilities that result from such actions. Employees who violate this policy will be subject to disciplinary action, up to

and including termination.

Reimbursement

Unless expressly authorized by the Company, using a personal cellular phone for work is not a necessary part of the job. The Company provides cellular phones for employees who are required to use cellular phones for business. If you feel that your job duties require use of a cellular phone, please seek authorization from a supervisor prior to using your personal cellular phone for work. To the extent possible, employees should conduct Company business by using a Company-provided land line rather than by their personal cellular phones.

The Company reimburses employees for business expenses reasonably incurred in performing their duties, including employees' mandatory use of their personal cellular phone. If your job requires you to use your personal cellular phone, such usage will generally be reimbursed at a reasonable rate. If you believe that the business that is being conducted via your cellular phone results in an expense to you that is greater than what the Company is offering, please contact the Vice President.

Reimbursement for any expense, including cellular phones, will only be made upon the employee's timely submission of a request for reimbursement along with sufficient documentation such as receipts. It is the employee's responsibility to seek reimbursement for business expenses during employment with and upon separation from the Company, as the Company can only reimburse expenses for which it receives a request and sufficient documentation.

Information Technology

The following policy governs the use of all Company-owned computers, databases, and personal computers used for Company business, email and voice mail systems, and Internet access via Company computers and/or data lines, hereinafter referred to in this policy as "Company IT." Personal computers used for Company business include laptops, tablets or home computers that are connected with the Company's network on a regular or intermittent basis.

The Company invests in information technology to facilitate the business of the Company. These tools are intended to assist employees with the execution of their job duties and shall not be abused. Employees should not use or access Company IT in any manner that is contrary to this policy.

Company Property

All Company IT is the Company's property. All information that is temporarily or permanently stored, transmitted or received with the aid of Company IT remains the sole and exclusive property of the Company.

In addition, all data temporarily or permanently received, collected, downloaded, uploaded, copied and/or created on Company IT, and all data temporarily or permanently received, collected, downloaded, uploaded, copied and/or created on non-Company computers used for Company business that relates in any manner to the Company's business is subject to monitoring by the

Company, is the exclusive property of the Company and may not be copied or transmitted to any outside party or used in any manner that violates this policy.

All software that has been installed on Company IT may not be used in any manner that violates this policy.

Upon termination of employment, an employee shall not remove any software, documents or data from Company IT and shall completely remove all data collected, downloaded and/or created on non-Company computers used for Company business that relate in any manner to the Company's business. Upon request of the Company, a terminating employee shall provide proof that such data has been removed from all personal computers used for Company business.

Prohibited Use Under Any Circumstances

It is not possible to identify every type of inappropriate or impermissible use of the Company's IT. The following conduct, however, is strictly prohibited under any circumstances and at any time:

- Employees may not transmit, retrieve, download, or store inappropriate messages or images relating to sex, race, religion, ethnicity, or any other protected category as defined in the Equal Employment Opportunity Policy, or any other status protected under federal, state and local laws.
- Employees may not use Company IT in any way that violates the Company's policy against unlawful harassment, including sexual harassment. By way of example, employees may not transmit messages that would constitute sexual harassment; may not use sexually suggestive or explicit screen savers or backgrounds; may not access, browse, receive, transmit or print pornographic, obscene or sexually offensive material or information; and may not access, browse, transmit, retrieve, download, store or print messages or images that are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment. Employees are also prohibited from communicating threatening or harassing statements to another employee, or to a vendor, customer, or other outside party.
- Employees may not use Company IT in any manner that violates the Company's Rules of Conduct.
- Employees may not use Company IT in any manner that violates the Company's Policy on Confidential and Trade-Secret Information.
- Employees may not use or allow another individual to use Company IT for any purpose that is competitive with the Company. All such access and use is unauthorized.
- Employees must honor and comply with all laws applicable to trademarks, copyrights, patents and licenses to software and other electronically available information. Employees may not send, receive, download, upload or copy software

or other copyrighted or otherwise legally protected information through Company IT, email, or the Internet without prior authorization.

- Employees may not engage in gambling of any kind, stream movies or videos, watch television programs or play electronic games through Company IT.
- Employees may not engage in day trading, or otherwise purchase or sell stocks, bonds or other securities or transmit, retrieve, download or store messages or images related to the purchase or sale of stocks, bonds or other securities through Company IT.

Prohibited Use During Working Time

The following conduct is prohibited during an employee's working time, which excludes time spent on an employee's meal or rest break, or before or after an employee's shift:

- Employees may not solicit personal business opportunities or conduct personal advertising through Company IT.
- Employees may not download, transmit, stream or retrieve messages, data, or information from multi-network gateways, real-time data and conversation programs including, but not limited to, instant messaging services (e.g. G-Chat and Yahoo Messenger), chat rooms and message boards, unless such activity is necessary for business purposes.

Unsolicited Email

Email has become an extremely important and efficient means of communication. However, the abuse of email systems, as well as the receipt and transmission of unsolicited commercial email places an incredible drain on the Company's servers and network, and imposes significant monetary costs to filter and remove unsolicited emails from our system. To eliminate the receipt and transmission of unsolicited commercial email, the Company complies with the federal "CAN-SPAM" law. Commercial email means email the primary purpose of which is the commercial advertisement or promotion of a commercial product or service. You are responsible for complying with the federal Anti-Spam regulations and therefore you may not use Company IT to transmit unsolicited commercial email:

- Promoting the Company's business, goods, products and services without prior authorization.
- Promoting your own personal business, goods, products and services.
- To the Company's customers who have elected to "opt-out" of receiving the Company's electronic advertisements.
- That contains or is accompanied by maliciously false information.

In addition, to help the Company eliminate the receipt of unsolicited commercial email from outside parties advertising various websites, products or services and to further prevent the receipt of offensive or undesired outside email, you should delete unfamiliar or suspicious email from outside the Company without opening it.

Monitoring

Employees should expect that all information created, transmitted, downloaded, received, reviewed, viewed, typed, forwarded, or stored in Company IT may be accessed by the Company at any time without prior notice. Employees should have no expectation of privacy or confidentiality in such data, messages, or information (whether or not password-protected), or that deleted messages are necessarily removed from the system.

Employees must provide all passwords and access codes for Company computers or personal computers used for Company business to the Vice President. Changing passwords or creating new passwords without notifying the Vice President is strictly prohibited.

The Company's monitoring policy may include, but is not limited to, inspection of internet activity, emails sent or received, internal drives, external memory devices, and handheld devices; review of content passing through the Company's network, data lines, and other systems; and use of screen monitoring software.

System Integrity

Because outside storage devices may compromise Company IT, employees are not permitted to use personal storage devices or copies of software or data in any form on any Company computer without first: (1) obtaining specific authorization from the Vice President, and (2) scanning the data for viruses. Any employee who introduces a virus into the Company's system via use of personal software or data shall be deemed guilty of gross negligence and/or willful misconduct and may be held responsible for the consequences, including cost of repair and lost productivity.

Similarly, information is not to be downloaded directly from the Internet onto Company IT. All information downloaded from the Internet is to be placed on a disk and scanned for viruses before being introduced into Company IT.

Enforcement

Violations of this policy may result in disciplinary action, up to and including termination. Employees who damage Company IT through unauthorized use may additionally be liable for the costs resulting from such damage. Employees who unlawfully misappropriate copyrighted or confidential and proprietary information, or who unlawfully distribute harassing messages or information, or who unlawfully access the computer systems and information it stores may additionally be subject to criminal prosecution and/or substantial civil money damages.

Fax Machines, Copiers, and Scanners

Any non-business use of the Company's fax machines, copiers, and/or scanners must be approved by management. Employees are prohibited from using these machines for the purpose of scanning, transmitting, receiving or copying materials which may be deemed offensive or insulting or in violation of the Company's policy against unlawful harassment. Any employee who receives such materials via fax transmission, the mail, email, or from any other source, should report the transmission immediately to the Vice President.

Protection of the Company's Trade Secrets and Confidential Information

In the course of your employment with the Company, you may be exposed to and/or provided with trade secrets ("Trade Secrets") and other confidential and proprietary information ("Confidential Information") of the Company relating to the operation of the Company's business and its customers (collectively referred to as "Trade Secrets/Confidential Information").

"Trade Secrets" mean information, including a formula, pattern, compilation, program, device, method, technique or process, that: (1) derives independent economic value, actual or potential, from not being generally known to the public or to other persons or entities who can obtain economic value from its disclosure or use; and (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The Company's Trade Secrets are: (1) not generally known to the public or to the Company's competitors; (2) were developed or compiled at significant expense by the Company over an extended period of time; and (3) are the subject of the Company's reasonable efforts to maintain their secrecy.

"Confidential Information" means information belonging to the Company, whether reduced to writing or in a form from which such information can be obtained, translated or derived into reasonably usable form, that has been provided to employees during their employment with the Company and/or employees have gained access to while employed by the Company and/or were developed by employees in the course of their employment with the Company, that is proprietary and confidential in nature.

As part of the consideration employees provide to the Company in exchange for your employment and continued employment with the Company, you agree and acknowledge that all Trade Secrets/Confidential Information developed, created or maintained by you shall remain at all times the sole property of the Company, and that if the Company's Trade Secrets/Confidential Information were disclosed to a competing business or otherwise used in an unauthorized manner, such disclosure or use would cause immediate and irreparable harm to the Company and would give a competing business an unfair business advantage against the Company.

Employees are strictly prohibited, at all times during their employment with the Company, except with prior written approval of the Company's President, from forwarding from their Company email account to personal email account(s) any emails or documents containing any Trade Secrets/Confidential Information, as well as from copying, transferring or uploading to employee's personal cloud-based or online storage accounts (such as a personal Dropbox or Google Docs account) any documents containing any Trade Secrets/Confidential Information. Employees are also strictly prohibited, at all times during their employment with the Company,

except with the express or implicit authorization of the Company, and then only for the sole benefit of the Company during the term of employment, from removing from the premises of the Company any physical item or document, or any written, electronic or recorded copy of any physical item or document, containing or embodying any Trade Secrets/Confidential Information, including without limitations the same in electronic or digital form. Employees shall not leave any of the Company's Trade Secrets/Confidential Information unattended in any area, whether on or off the Company's premises, where leaving such information unattended creates a risk that the information may be accessed or acquired by any individual who is not authorized to view or access the Trade Secrets/Confidential Information.

You shall not, except as required in the conduct of the Company's business or as authorized in writing by the Company, disclose or use during your term of employment or subsequent thereto any Trade Secrets/Confidential Information. Furthermore, all records, files, plans, documents and the like relating to the business of the Company you prepare, use or come in contact with shall be and shall remain the sole property of the Company and shall not be copied without written permission of the Company and shall be returned to the Company on termination of your employment, regardless of whether requested by the Company to do so at the time of your termination, or at the Company's request at any time.

Social Media

This policy governs employee use of social media, including any online tools used to share content and profiles, such as personal web pages, message boards, networks, communities, and social networking websites, apps, and blogs. The lack of explicit reference to a specific site or type of social media does not limit the application of this policy.

The Company respects the rights of all employees to use social media. However, because communications by Company employees on social media could, in certain situations, negatively impact business operations, customer relations, or create legal liability, it is necessary for the Company to provide these guidelines. These guidelines are intended to ensure employees understand the types of conduct that are prohibited. This policy will not be interpreted or applied so as to interfere with the rights of employees to discuss or share information related to their wages, hours, or other terms and conditions of employment. Employees have the right to engage in or refrain from such activities.

Employees engaging in use of social media are subject to all of the Company's policies and procedures, including, but not limited to, the Company's policies: (1) protecting trade secrets and confidential information related to the Company's operation; (2) safeguarding Company property; (3) prohibiting unlawful discrimination, harassment and retaliation; and (4) governing the use of Company computers, telephone systems, and other electronic and communication systems owned or provided by the Company.

Employees are prohibited from the following:

- Disclosing on social media the Company's trade secrets or proprietary and confidential information related to products, production processes, designs, or using or disclosing documents or similar information that has been designated or marked as business sensitive, confidential/private, intellectual property or business

use only. Examples of confidential information include customer information, trade secrets, non-public financial performance information and strategic business plans, and does not include information related to an employee's own wages, hours and working conditions.

- Disclosing on social media a customer's, vendor's, partner's or supplier's trade secrets or confidential information (as defined above) related to products, production processes, designs, or using or disclosing documents or information that have been designated or marked as business sensitive, confidential/private, intellectual property or business use only.
- Using social media to post or to display comments about co-workers, supervisors, customers, vendors, suppliers or members of management that are obscene, physically threatening or intimidating, or otherwise constitute a violation of the Company's workplace policies against discrimination, retaliation, or harassment.
- Posting or displaying on social media content that is an intentional public attack on the quality of the Company's products and/or services in a manner that a reasonable person would perceive as calculated to harm the Company's business and is unrelated to any employee concern involving wages, hours, or other terms and conditions of employment.
- Unless authorized and approved by the Company, disclosing or publishing on social media any promotional content about the Company or its products.
- Engaging in activities that involve the use of social media to violate other established Company policies or procedures.
- Using social media while on working time, unless it is being used for Company business and with the authorization of the Company.
- Posting a photograph of a vendor, supplier, or customer on social media without that individual's express permission.

Violations of this policy may result in disciplinary action, up to and including termination. If you have any questions about this policy, contact your supervisor or the Vice President.

Employees may not use Company-owned equipment, including Company information technology, Company-licensed software or other electronic equipment, or facilities or Company time, to conduct personal blogging or social networking activities.

Employees should know that the Company has the right to and will monitor the use of its information technology, telephone, and other equipment and systems, as well as any publicly accessible social media. Employees should expect that any information created, transmitted, downloaded, exchanged or discussed on publicly accessible online social media may be accessed by the Company at any time without prior notice.

Social media account ownership: To the extent employees are authorized as part of their job duties to use social media account(s) to advance the Company's interests, the Company, not the employee, owns the account(s) and employees are required to return all logins and passwords for such accounts at the end of employment.

Unauthorized Interviews

Employees should not speak to the media on the Company's behalf without contacting the Vice President or President. All media inquiries should be directed to them.

Changes in Status

Changes in Personnel Records

To keep your personnel records up to date, to ensure that the Company has the ability to contact you, and to ensure that the appropriate benefits are available to you, you are expected to notify the Company promptly of any change of name, address, phone number, number of dependents, or other applicable information.

Outside Inquiries Concerning Employees

All inquiries concerning employees from outside sources, including requests for references, should be directed to the Vice President. No information should be given regarding any employee by any other employee or manager to an outside source. The Company's policy as to references for employees who have left the Company is to disclose only the dates of employment and the title of the last position held. If an employee has authorized disclosure in writing, the Company will also provide information on the amount of salary or wage last earned.

Exit Interview

Any employee leaving the Company may be required to attend an exit interview conducted by the employee's supervisor or the Vice President. The purpose of the interview is to determine the reasons for termination and to resolve any questions of compensation, Company property or other matters related to the termination. You are responsible for returning Company property in your possession or for which you are responsible.

To Sum It All Up

This handbook highlights your opportunities and responsibilities at the Company. By always keeping the contents of the handbook in mind, you should be successful and happy in your work here. Once again, welcome to our Company, and we look forward to working with you.

EMPLOYEE ACKNOWLEDGMENT AND AGREEMENT

By signing below, I acknowledge that I have received a copy of the Davis Trucking, LLC (“Company”) Employee Handbook and I will familiarize myself with its contents.

1. I acknowledge that nothing in the Employee Handbook creates or is intended to create a promise or representation of continued employment and that my employment, position, and compensation at the Company are at-will, shall be for no specific duration, and may be changed or terminated at the will of the Company. Both I and the Company have the right to terminate my employment at any time, with or without cause or prior notice. By signing below, I certify that I understand that employment at-will is the sole and entire agreement between myself and the Company concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations (whether written or oral) concerning the duration of my employment with the Company and/or the circumstances under which my employment may be terminated. My employment-at-will status may only be changed in a written document signed by the Vice President of the Company.

2. I and the Company agree to utilize binding individual arbitration as the sole and exclusive means to resolve all disputes that may arise out of or be related in any way to my employment. I and the Company each specifically waive and relinquish our respective rights to bring a claim against the other in a court of law and to have a trial by jury. Both I and the Company agree that any claim, dispute, and/or controversy that I may have against the Company (or its owners, directors, officers, managers, employees, or agents), or the Company may have against me, shall be submitted to and determined exclusively by binding arbitration under the Federal Arbitration Act (“FAA”), in conformity with the procedures of the California Arbitration Act (Cal. Code Civ. Proc. sec 1280 et seq., including section 1283.05 and all of the Act’s other mandatory and permissive rights to discovery). Included within the scope of this Agreement are all disputes, whether based on tort, negligence, contract, statute (including, but not limited to, any claims of discrimination, harassment and/or retaliation, whether they be based on the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, as amended, or any other state or federal law or regulation), equitable law, or otherwise. The only exceptions to binding arbitration shall be for claims arising under the National Labor Relations Act which are brought before the National Labor Relations Board, claims for medical and disability benefits under the California Workers’ Compensation Act, Employment Development Department claims, or other claims that are not subject to arbitration under current law. Moreover, nothing herein shall prevent me from filing and pursuing proceedings before the California Department of Fair Employment and Housing, or the United States Equal Employment Opportunity Commission (although if I choose to pursue a claim following the exhaustion of such administrative remedies, that claim would be subject to the provisions of this Agreement).

3. I agree that any claims brought under this binding arbitration Agreement shall be brought in the individual capacity of myself or the Company. This binding arbitration Agreement shall not be construed to allow or permit the consolidation or joinder of claims of other claimants, or permit such claims to proceed as a class or collective action. No arbitrator shall have the authority under this agreement to order any such class or collective action. Any dispute regarding the validity, scope or enforceability of this Agreement, or concerning the arbitrability of a

particular claim, shall be resolved by a court, not by the arbitrator. By signing this agreement, I am agreeing to waive any substantive or procedural rights that I may have to bring or participate in an action brought on a class or collective basis. If under applicable law a representative claim under the California Private Attorneys General Act (“PAGA”) is found to be unwaivable and such an action is pursued in court, I and the Company agree that any such PAGA claim will be severed and stayed pending resolution of claims that are arbitrable.

4. In addition to any other requirements imposed by law, the arbitrator selected to hear claims under this Agreement shall be a retired California Superior Court Judge, or an otherwise qualified individual to whom the parties mutually agree, and shall be subject to disqualification on the same grounds as would apply to a judge of such court. All rules of pleading (including the right of demurrer), all rules of evidence, all rights to resolution of the dispute by means of motions for summary judgment, judgment on the pleadings, and judgment under Code of Civil Procedure Section 631.8 shall apply and be observed. The arbitrator shall have the immunity of a judicial officer from civil liability when acting in the capacity of an arbitrator, which immunity supplements any other existing immunity. Likewise, all communications during or in connection with the arbitration proceedings are privileged in accordance with Cal. Civil Code Section 47(b). As reasonably required to allow full use and benefit of this agreement’s modifications to the Act’s procedures, the arbitrator shall extend the times set by the Act for the giving of notices and setting of hearings. Awards shall include the arbitrator’s written reasoned opinion. Resolution of all disputes shall be based solely upon the law governing the claims and defenses pleaded, and the arbitrator may not invoke any basis (including but not limited to, notions of “just cause”) other than such controlling law.

5. If any term or provision or any portion of this Agreement is deemed invalid or unenforceable, it shall be severed and the remainder of this Agreement shall be enforceable. Under no circumstances shall this Agreement be construed to allow arbitration on a class, collective, or other similar basis.

MY SIGNATURE BELOW ATTESTS TO THE FACT THAT I HAVE READ, UNDERSTAND, AND AGREE TO BE LEGALLY BOUND TO ALL OF THE ABOVE TERMS. I FURTHER UNDERSTAND THAT THIS AGREEMENT REQUIRES ME TO ARBITRATE ANY AND ALL DISPUTES THAT ARISE OUT OF MY EMPLOYMENT.

DO NOT SIGN UNTIL YOU HAVE READ THE ABOVE ACKNOWLEDGMENT AND AGREEMENT.

Print Full Name

Signature

Date

[RETAIN IN EMPLOYEE PERSONNEL FILE]