

EMPLOYEE HANDBOOK

JAT TRUCKING, 50/60 HEAVEN, UBT TRUCKING

EFFECTIVE: JULY 2021

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INTRODUCTION

WELCOME TO JAT TRUCKING, 50 / 60 HEAVEN, UBT TRUCKING!

We're very happy to welcome you to our Company. Thanks for joining us! The Company would like you to feel that your employment with us will be mutually beneficial and enjoyable.

You are joining an organization that has established an outstanding reputation for quality services. Credit for this goes to every one of our employees and we hope that you will find satisfaction and take pride in your work here.

HISTORY

The Granados Family started as a FedEx Ground contractor in 2000 with one route and the owner was the driver. The Bagnara Family joined the FedEx Ground contracting team in 2004. The two families merged in 2008 with a total of five routes and four drivers plus the owners. Working together, we have put pride into our commitment to growth and hard work. Today we are still going strong with over 100 employees among the three companies. It has been teamwork and a solid employee base that has built this company. We welcome you to the J-5 Family!

MISSION AND VISION

The Safety and Health of every employee is a high priority. Management accepts responsibility for providing a safe working environment and employees are expected to take responsibility for performing work in accordance with safe standards and practices. Safety and health will only be achieved through teamwork. Everyone must join together in promoting safety and health and taking every reasonable measure to assure safe working conditions in the company.

CORE VALUES

Human life and well-being are at the heart of everything we do.

HANDBOOK PURPOSE

This employee handbook is presented as a matter of information and has been prepared to inform employees about the Company's philosophy, employment practices, policies, and the benefits provided to our valued employees, as well as the conduct expected from them. While this handbook is not intended to be a book of rules and regulations or a contract, it does include some important guidelines which employees should know. Except for the at-will employment provisions, the handbook can be amended at any time.

This employee handbook will not answer every question employees may have, nor would the Company want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope this guide will help employees feel comfortable with us. The Company depends on its employees; their success is our success. Please don't hesitate to ask questions. Every manager will gladly answer them. We believe employees will enjoy their work and their fellow employees here. We also believe that employees will find the Company a good place to work.

No one other than authorized management may alter or modify any of the policies in this employee handbook. No statement or promise by a supervisor, manager, or designee is to be interpreted as a change in policy, nor will it constitute an agreement with an employee.

Should any provision in this employee handbook be found to be unenforceable and invalid, such a finding does not invalidate the entire employee handbook, but only the subject provision. Nothing in this handbook is intended to infringe upon employee rights under Section 7 of the National Labor Relations Act (NLRA) or be incompatible with the NLRA.

We ask that employees read this guide carefully, become familiar with the Company and our policies, and refer to it whenever questions arise.

EMPLOYMENT

EQUAL EMPLOYMENT

It is the policy of the Company to provide equal employment opportunities to all qualified individuals and to administer all aspects and conditions of employment without regard to the following:

- Race and associated traits, including hairstyle
- Color
- Age
- Sex
- Sexual orientation
- Gender
- Gender identity and gender expression
- Religion, including dress and grooming practices
- National origin, including language use restrictions
- Pregnancy, childbirth, or breastfeeding
- Marital status
- Genetic information, including family medical history
- Physical or mental disability
- Military or veteran status
- Citizenship and/or immigration status
- Child or spousal support withholding
- Domestic violence, assault, or stalking victim status
- Medical conditions, including cancer and AIDS/HIV
- Denial of family or medical care leave
- Political activities or affiliations
- Lawful conduct occurring during nonworking hours not on Company premises
- Credit report or credit information
- Prior non-conviction arrest record
- Application for or enrollment in Medi-Cal
- Any other protected class, in accordance with applicable federal, state, and local laws

Discriminatory, harassing, or retaliatory behavior is prohibited from coworkers, supervisors, managers, owners, and third parties, including clientele. The Company takes allegations of discrimination, harassment and retaliation very seriously and will promptly conduct an investigation when warranted.

Equal employment opportunity includes, but is not limited to, employment, training, promotion, demotion, transfer, leaves of absence and termination.

BACKGROUND CHECKS

As required by FedEx Ground the Company may conduct a background check on any applicant or employee with their signed consent. The background check may consist of prior employment verification, reference checks, driving records, education confirmation, criminal background, credit history, or other information, as permitted by law (if permitted by AB 22). Third-party services may be hired to perform these checks. All offers of employment and continued employment are contingent upon a satisfactory background check. Refusal to consent to a background check may result in discipline, up to or including termination.

AT-WILL NOTICE

The employment relationship between the Company and employees is at-will. This means that employees are not hired for any specified period of time and their employment may be terminated at any time, with or without cause, and with or without notice, by either the Company or the employee. Company policy requires that all employees are at-will; any implied, oral, or written agreements or promises to the contrary are void and unenforceable, unless approved by an officer with the power to create an employment contract. There is no implied employment contract created by this Handbook or any other Company document or written or verbal statement or policy.

ANNIVERSARY DATE AND SENIORITY

The employee's date of hire is their official employment anniversary date. Seniority is the length of continuous service starting on that date. Should an employee leave the Company and then be rehired, previously accrued seniority will be lost and seniority will begin to accrue again on the date of rehire. With the exception of certain protected leaves and paid time off, seniority does not accrue during leaves of absence that exceed 30 calendar days.

IMMIGRATION LAW COMPLIANCE

All employees are required to complete Section 1 of Form I-9 on their first day of employment, and produce, within three business days, acceptable proof of their identity and eligibility to work in the United States. Failure to produce the proper identifying documents within three days will result in termination.

INTRODUCTORY PERIOD

The employee's first 90 days of employment with the Company are considered an introductory period. This introductory period will be a time for getting to know fellow employees, managers and the tasks involved in the position, as well as becoming familiar with the Company's services. The supervisor or manager will work closely with each employee to help them understand the needs and processes of their job.

This introductory period is a try-out time for the employee and the Company. During this introductory period, the Company will evaluate employees' suitability for employment and employees can evaluate the Company as well. At any time during this first 90 days,

employees may resign. If, during this period, employee work habits, attitude, attendance, performance or other relevant factors do not measure up to our standards, the Company may terminate employment.

At the end of the introductory period, the supervisor or manager will discuss each employee's job performance with them. During the course of the discussion, employees are encouraged to give their comments and ideas as well.

Completion of the introductory period does not guarantee continued employment for any specified period of time, nor does it require that an employee be discharged only for cause. Completion of the introductory period also does not imply that employees now have a contract of employment with the Company, other than at-will. Successful completion of the introductory period does not alter the at-will employment relationship.

A former employee who has been rehired after a separation from the Company of more than one year is considered an introductory employee during their first 90 days following rehire.

EMPLOYMENT CLASSIFICATIONS

The Company has established the following employee classifications for compensation and benefit purposes only. An employee's supervisor or manager will inform the employee of their classification, status, and responsibilities at the time of hire, re-hire, promotion or at any time a change in status occurs. These classifications do not alter the employment at-will status.

Regular Full-Time Employee

An employee who is scheduled to work no less than 100% of the scheduled work hours in a workweek on a fixed work schedule (not less than 40 hours). The employee may be exempt or non-exempt and is generally eligible for all employment benefits offered by the Company.

Regular Part-Time Employee

An employee who is scheduled to work less than 40 hours in a workweek and may be eligible for some benefits.

Temporary Employee

An employee who is scheduled to work on a specific need of the Company. The employee will not receive any benefits unless specifically authorized in writing.

Exempt

Employees whose positions meet specific tests established by the Fair Labor Standards Act (FLSA) and applicable state law and who are exempt from overtime pay requirements. The basic premise of exempt status is that the exempt employee is to work the hours required to meet their work responsibilities.

Non-Exempt

Employees whose positions do not meet FLSA and state exemption tests and who are paid a multiple of their regular rate of pay for overtime hours worked. Unless notified otherwise in writing by management, all employees of the Company are non-exempt.

PERSONNEL RECORDS

The Company will maintain various employment files while individuals remain an employee of the Company. Examples of these files are employee personnel files, attendance files, I-9 files and files for medical purposes. If any changes with respect to personal information, such as a change in home address and telephone number or a change of name occur, employees are required to notify their supervisor or manager so the appropriate updates can be made to the files. The Company will take reasonable precautions to protect employee files and employee personally identifiable information in its records.

Employee files have restricted access. Employees, their supervisor or manager, or their designated agents, may have access to those personnel files. In the event that an employee (or former employee) wishes to review their personnel file, they must do so in the presence of a supervisor or manager.

Employees may review or obtain a copy of their personnel file or payroll records by making a written request to their supervisor or manager. The written request will become a permanent part of the personnel file and the Company will make the contents of those records available within a reasonable time frame.

EMPLOYEE REFERENCES

All employee reference check requests should be forwarded to Human Resources; only authorized members of management or Human Resources may provide this information. When the Company is contacted for a reference check or employment verification, generally only positions held and dates of employment will be confirmed. In some circumstances, past salary and eligibility for rehire may be provided as well.

JOB TRANSFERS

The Company aspires to promote qualified internal candidates to fill open positions whenever possible and practical. When job openings occur, current employees are encouraged to apply.

Management reserves the right to place an employee in whatever job it deems useful or necessary. All job transfers, reassignments, promotions, or lateral transfers are at the discretion of the Company.

CONDUCT AND BEHAVIOR

GENERAL CONDUCT GUIDELINES

Employees are expected to exercise common sense and courtesy at all times, for the benefit of clients, co-workers, and the Company as a whole. Professionalism is expected, as is respect for the safety and security of people and property. Failure to meet these expectations may be grounds for discipline, up to and including termination. The following are examples of unacceptable conduct, but this is not an exhaustive list.

- Failure to follow the policies outlined in this handbook.
- Negligent, careless, or inconsiderate treatment of customers or their information.
- Theft, misappropriation, or unauthorized possession or use of any property that does not belong to the employee.
- Unauthorized removal of Company property from the premises.
- Sharing trade secrets or other confidential business information with anyone who does not have an official need to know.
- Accessing, without authorization, confidential information pertaining to clients or employees.
- Falsifying or changing any type of Company, customer, or employee document or record without authorization.
- Willfully, negligently, or carelessly damaging, defacing, or mishandling property of the Company, a customer, or an employee.
- Taking or giving bribes of any nature.
- Entering Company premises without authorization.
- Violating security, safety, or fire prevention regulations, or tampering with safety equipment.
- Unauthorized use of a personal vehicle for Company business.
- Conduct that is illegal under federal, state, or local law.
- Creating a disturbance on Company premises.
- Use of abusive language.
- Any rude, discourteous, or unbusinesslike behavior, on or off Company premises, which is not protected by Section 7 of the National Labor Relations Act and that adversely affects the Company services, operations, property, reputation, or goodwill in the community, or interferes with work.
- Insubordination or refusing to follow instructions from a supervisor or manager; refusal or unwillingness to accept a job assignment or to perform job requirements.
- Leaving during scheduled work hours without permission; unauthorized absence from assigned work area during regularly scheduled work hours.
- Sleeping during regular working hours.
- Recording time for another employee or having time recorded by another employee.
- Use or possession of illegal drugs on Company premises at any time.
- Use of alcohol or illegal drugs during working hours, or working under the influence of intoxicants.

- Unauthorized possession of a weapon on Company premises. All weapons are strictly prohibited on FedEx ground property including company vehicles.
- Illegal gambling on Company premises.
- Soliciting, collecting money, vending, and posting or distributing bills or pamphlets during working hours in work areas. Such activity by employees during non-working time, including meal and rest periods, is not restricted so long as such activity does not interfere with the regular operation of business, is orderly, lawful, in good taste, conducted in an orderly manner, and does not create a safety hazard or a mess. Non-employees are prohibited from all forms of solicitation on Company property at all times.

SEXUAL AND OTHER UNLAWFUL HARASSMENT

The Company is committed to providing a work environment free of harassment in any form, including inappropriate and disrespectful behavior, intimidation, and other unwelcome conduct directed at an individual because of their inclusion in a protected class. Applicable federal and state law defines harassment as unwelcome behavior based on someone's inclusion in a protected class. Sometimes language or actions that were not expected to be offensive or unwelcome actually are, so employees should err on the side of being more sensitive to the feelings of their co-workers rather than less.

The following are examples of harassment; behaviors not in this list may also be considered harassment:

- Unwanted sexual advances;
- Offering employment benefits in exchange for sexual favors;
- Retaliation or threats of retaliation for refusing advances or requests for favors;
- Leering, making sexual gestures or jokes, or commenting on an employee's body;
- Displaying sexually suggestive content;
- Displaying or sharing derogatory posters, photographs, or drawings;
- Making derogatory epithets, or slurs;
- Ongoing teasing about an employee's religious or cultural practices;
- Ongoing teasing about an employee's sex, sexual orientation, or gender identity;
- Physical conduct such as touching, assault, or impeding or blocking movements

Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a manager, or harassment by persons doing business with or for the Company, such as clients, customers or vendors.

Retaliation

Any form of retaliation against someone who has expressed concern about any form of harassment, refused to partake in harassing behavior, made a harassment complaint, or cooperated in a harassment investigation, is strictly prohibited. A complaint made in good faith will under no circumstances be grounds for disciplinary action. Individuals who make

complaints that they know to be false may be subject to disciplinary action, up to and including termination.

Enforcement

All managers and supervisors are responsible for:

- Implementing the Company's harassment policy;
- Ensuring that all employees they supervise have knowledge of and understand the Company policy;
- Reporting any complaints of misconduct to the designated company representative, the General Manager, so they may be investigated and resolved internally;
- Taking and/or assisting in prompt and appropriate corrective action when necessary to ensure compliance with the policy; and
- Conducting themselves in a manner consistent with the policy.

Addressing Issues Informally

Employees who witness offensive behavior in the workplace - whether directed at them or another employee - are encouraged, though not required, to immediately address it with the employee whose behavior they found offensive. An employee who is informed that their behavior is or was offensive should stop immediately and refrain from that behavior in the future, regardless of whether they agree that the behavior could have been offensive.

Harassment Complaint Procedure

Employees are encouraged to use the Complaint Procedure to report behavior that they feel is harassing, whether or not that behavior is directed at them. The Complaint Procedure provides for immediate, thorough, and objective investigation of claims of harassment. Appropriate disciplinary action will be taken against those who are determined to have engaged in harassing behavior.

ABUSIVE CONDUCT

Abusive conduct means malicious conduct in the workplace that a reasonable person would find hostile or offensive and unrelated to an employer's legitimate business interests. Abusive conduct may include repeated infliction of verbal abuse, such as the use of derogatory remarks, insults, and epithets, verbal or physical conduct that a reasonable person would find threatening, intimidating, or humiliating, or the sabotage or undermining of a person's work performance. A single act will generally not constitute abusive conduct, unless especially severe.

The Company considers abusive conduct in the workplace unacceptable and will not tolerate it under any circumstances. Employees should report abusive conduct to a manager or Human Resources. Managers are responsible for ensuring that employees are not subjected to abusive conduct. All reports will be treated seriously and investigated when appropriate. Employees who are found to have engaged in abusive conduct will be

subject to discipline, up to and potentially including termination. Retaliation against an employee who reports abusive conduct or verifies that it took place is strictly prohibited.

COMPLAINT PROCEDURE

The Company has established a procedure for a fair review of complaints related to any workplace controversy, conflict, or harassment. Employees may take their complaint directly to the person or department listed in Step 2 if the complaint is related to their supervisor or manager or if the employee feels the supervisor or manager would not provide an impartial resolution to the problem.

Step 1

The complaint should be submitted orally or in writing to a supervisor or manager within three working days of the incident or as soon as possible. Sooner is better, as it will assist in a more accurate investigation, but complaints will be taken seriously regardless of when they are reported. Generally, a meeting will be held within three business days of the employee's request, depending upon scheduling availability. Attempts will be made to resolve the issue during the meeting, but regardless of whether there is an immediate resolution, the supervisor or manager will give the employee a written summary of the meeting within three business days. Resolution may take longer if further investigation of the complaint is required. If the employee is not satisfied with the resolution, they may proceed to Step 2.

Step 2

The employee may submit an oral or written request for review of the complaint and Step 1 resolution to the Company Owner or a designated investigator. This request should be made within three working days following the receipt of the Step 1 resolution. The Company Owner or the designated investigator will review the complaint and resolution and may call an additional meeting to explore the problem. If warranted, additional fact-finding will be undertaken. A final decision will be rendered within 10 working days after receiving the Step 2 request, and a written summary of the resolution will be provided to the employee who filed the complaint.

CORRECTIVE ACTION

A high level of job performance and professionalism is expected from each employee. In the event that an employee's job performance does not meet the standards established for the position, they violate company policies or procedures, or their behavior is otherwise unacceptable, corrective action may ensue. Corrective action may include, but is not limited to: coaching, oral or written warnings, performance improvement plans, paid or unpaid suspension, demotion, and termination. The type and order of actions taken will be at management's sole discretion and the Company is not required to take any disciplinary action before making an adverse employment decision, including termination.

COMPENSATION

PAY PERIODS

The standard seven-day payroll workweek for the Company will begin at 12:00 a.m. Sunday. Pay periods are weekly for all employees. Paydays occur every Friday. Employees who pilot trucks that weigh 10KG or less are paid hourly. All other employees are paid their daily rate for either a five hour day or a ten hour day. Except as otherwise provided, if any date of paycheck distribution falls on a weekend or holiday, employees will be paid on the preceding scheduled workday.

TIMEKEEPING

All non-exempt employees are required to use our timekeeping system conducted on their mobile device to record their hours worked. For the purpose of this policy, all forms of timekeeping will be referred to as clocking in or out.

Employees should clock in no sooner than five minutes before their scheduled shift and clock out no later than five minutes after their scheduled shift. Additionally, employees are required to clock in and out for their designated lunch periods. The length of the lunch period will be designated by the employee's manager; alteration or waiver of the lunch period requires manager approval. Lunch periods are at least thirty minutes of unpaid time when employees are relieved of all duties. Waiver of the lunch period requires prior approval of the employee's manager. Under no circumstance may the waiver of the lunch period result in overtime work.

Accurate timekeeping is a federal and state wage and hour requirement, and employees are required to comply. Failing to enter time into the timekeeping system in an accurate and timely manner is unacceptable job performance. Employees may not ask another employee to clock in or out for them. Should an employee miss an entry into the timekeeping system, they must notify their manager as soon possible for correction.

Non-exempt employees are not permitted to work unscheduled time without prior authorization from their manager. This includes clocking in early, clocking out late, or working through scheduled break or lunch periods.

REPORTING TIME PAY

Non-exempt employees who report to work and are then sent home by the Company without completing their assigned shift are generally entitled to reporting time pay. Non-exempt employees who are required to call in to see if they must report for a scheduled on-call shift that day and then told that they are not needed will also be entitled to reporting time pay.

Employees will be paid for half of their regularly scheduled shift, but no fewer than two hours and no more than four hours. All time worked prior to dismissal counts toward these totals. Reporting time pay will be paid at the employee's regular rate of pay.

Reporting time hours, with the exception of any actual hours worked, will not count toward overtime calculations.

If an employee is required to report to work a second time in any one workday and is furnished fewer than two hours of work on the second reporting, they will be paid for two hours at their regular rate of pay.

Reporting time pay will not apply if operations cannot begin or continue due to threats to employees or property, or when civil authorities recommend that work not begin or continue; when public utilities fail to supply electricity, water, or gas, or there is a failure in the public utilities or sewer system, when the interruption of work is caused by an Act of God or other cause not within the Company's control. Employees who are regularly scheduled to work a shift of less than two hours do not qualify for reporting time pay.

OVERTIME

The Company complies with all applicable federal and state laws with regard to payment of overtime work. Non-exempt employees will be paid overtime (one and one-half times the regular rate of pay) for all hours worked over eight in one work day, over 40 in one work week and for the first eight hours of work performed on the seventh consecutive work day in one work week, without regard to the total number of hours worked in the previous six days.

Overtime is paid at the rate of double the regular rate of pay for every hour worked after the completion of eight hours worked on the 7th consecutive workday in any workweek. In addition, overtime is paid at the rate of two times the regular rate of pay for every hour worked after the completion of 12 hours worked in one workday.

If the Company approves an employee's request to make up work time, the hours of that makeup work performed in the same week that the work was lost do not count towards computing the total number of hours worked in a day, so long as the total number of hours worked does not exceed 11 hours.

Employees are required to work overtime when assigned. Any overtime worked must be authorized by a supervisor or manager, in advance. Working unauthorized overtime or the refusal or unavailability to work overtime is unacceptable work performance, subject to discipline including but not limited to termination.

PAYROLL DEDUCTIONS

The Company complies with the salary basis requirements of the Fair Labor Standards Act (FLSA) and does not make improper deductions from the salaries of exempt employees. There are, however, certain circumstances where deductions from the salaries of exempt employees are permissible. Such circumstances include:

- When an exempt employee is absent from work for one or more full days for personal reasons other than sickness or disability
- When an exempt employee is absent for one or more full days due to sickness or disability if the deduction is made in accordance with a bona fide sick leave plan that provides compensation for salary lost due to illness
- To offset amounts received as witness or jury fees, or for military pay
- When an employee is on unpaid leave under the Family Medical Leave Act
- During an employee's first and last week of employment, if they work less than a full week

If an employee believes that an improper deduction has been made, they should immediately report this to their manager or the person responsible for payroll processing. Reports will be promptly investigated and if it is determined that an improper deduction has occurred, the employee will be promptly reimbursed.

PAY ADJUSTMENTS, PROMOTIONS AND DEMOTIONS

All pay increases are based upon merit, market factors, and the profitability of the Company. There may not be an automatic annual cost of living or salary adjustment. Employee pay also may be adjusted downward. Salary decreases may take place when there is job restructuring, job duty changes, job transfers, or adverse business economic conditions. Demotion is a reduction in responsibility, usually accompanied by a reduction in salary. If demotion occurs, employees will maintain their seniority with the Company.

PERFORMANCE EVALUATION

Employees will generally receive an appraisal of their job performance as scheduled. This evaluation may be either written or oral. Such evaluation may not occur at exactly the same time each year, but thereabout, at the discretion of the employee's manager.

If the employee receives an evaluation sheet or other written document, they will be required to sign it. An employee's signature does not necessarily indicate that the employee agrees with all the comments, but that they have been given the opportunity to examine the evaluation and discuss it with their manager. The completed and signed evaluation form will be placed in the employee's personnel file and the employee will receive a copy of the performance evaluation.

In addition to performance evaluations, informal counseling sessions may be conducted from time to time.

WORK ASSIGNMENTS

On occasion employees may be required to perform duties that are not part of their job description or usual tasks. This may happen because a co-worker is absent, a position is temporarily vacant, the business or department is particularly busy, or for other reasons. Employees are expected to perform these additional duties in a timely fashion and to the best of their ability. Should questions about process or procedure arise, employees should

Speak with their manager. Unless informed otherwise, employees will be paid at their regular rate of pay.

BENEFITS

HOLIDAYS

Regular full-time employees are entitled to the following unpaid holidays observed by the Company:

- Memorial Day
- Labor Day
- Thanksgiving
- Christmas Day

Other days or parts of days may be designated as holidays with or without pay. No holiday pay will be paid to an employee who is on an unpaid status, on any leave, or absent due to workers' compensation. If a holiday falls on a Sunday, the holiday may be observed on the following Monday. If the holiday falls on a Saturday, the holiday may be observed on the preceding Friday.

SICK LEAVE

All employees will earn one hour of paid sick leave for every 30 hours worked and it will accrue on a pay period basis. Exempt employees will be presumed to work 40 hours per week unless they are regularly scheduled to work fewer hours, in which case accrual will be based on their actual schedule.

Employees are eligible to use accrued sick leave on the 90th day of employment. When sick leave is used, it will be paid at the employee's regular rate of pay. Sick leave may be used in increments of two hours or more. If the need for sick leave is foreseeable, employees must provide advance notice. If the need for sick leave is unforeseeable, the employee must provide notice as soon as practicable.

The Company limits the use of paid sick leave to a maximum of 24 hours per year. Sick leave accrual is capped at 48 hours; when that point is reached the employee will cease to accrue additional time. Employees may carry over accrued sick leave into a new year.

Sick leave may be used for diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member, or by an employee who is a victim of domestic violence, sexual assault, or stalking.

Unused sick leave will not be compensated for at the end of employment. Employees rehired within one year of separation will have their previously accrued sick leave restored.

VACATION

Vacations provide a break beneficial to both the Company and the employee. Therefore, employees are encouraged to take vacations annually. Eligible employees include:

- Full-time exempt
- Full-time non-exempt

Employees will accrue vacation according to the following schedule: From one to two years they receive five vacation days annually. After continuous employment for three years they will receive ten vacation days annually.

Unused vacation will be carried over each year up to the maximum accrual bank of 10 days. Unused vacation will be paid out upon employment separation.

Vacations need to be scheduled with the appropriate manager with sufficient notice so as to not disrupt the workplace.

HEALTH AND WELFARE BENEFITS

The Company complies with all applicable federal and state laws with regard to benefits administration. All regular employees scheduled and generally working at least 1 hour a week are entitled to health insurance and other company-sponsored health benefits, when in effect. The Company reserves the right to change or terminate health plans or other benefits at any time.

New qualifying employees will be eligible for coverage following 90 calendar days. New employees may elect not to be covered, with the permission of the Company, provided the percentage of employees not covered is within the benefit plan specifications.

CONTINUATION OF BENEFITS

Under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA), or a state mini-COBRA law, employees may be allowed to continue their health insurance benefits, at their own expense, for a set number of months after experiencing a qualifying event. Length of coverage may be dependent upon the qualifying event.

To qualify for continuation of health benefits, the covered individual must experience a qualifying event that would otherwise cause them to lose group health coverage. The following are qualifying events:

For Employees

- Voluntary or involuntary termination of employment for reasons other than gross misconduct
- Reduction in numbers of hours worked

For Spouses

- Loss of coverage by the employee because of one of the qualifying events listed above
- Covered employee becomes eligible for Medicare
- Divorce or legal separation of the covered employee
- Death of the covered employee

For Dependent Children

- Loss of coverage because of any of the qualifying events listed for spouses
- Loss of status as a dependent child under the plan rules

See Human Resources for additional information.

STATE DISABILITY INSURANCE

The State of California has a partial wage-replacement insurance plan for California workers. The cost of this insurance is fully paid by the employee through payroll deductions. The State Disability Insurance program includes both Disability Insurance and Paid Family Leave.

Disability Insurance

Employees who lose wages when an illness, injury or pregnancy-related disability prevents them from working and who meet all the state eligibility requirements can collect disability insurance benefits.

The benefits are calculated as a percentage of employee salary up to a weekly maximum as specified by law, for up to 52 weeks.

Employees who apply for this benefit must provide written notice of disability, including a doctor's certificate stating the nature of the disability and the expected date of return to work.

Employees are responsible for filing their claim and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from the Employment Development Department online, by telephone, or in person.

Paid Family Leave

Employees may be eligible for partial wage replacement benefits under the Paid Family Leave Act for up to a maximum of eight weeks for the following reasons:

- To bond with a new child after birth or placement for adoption or foster care
- To care for a serious health condition of an employee's child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner
- To participate in a qualifying exigency related to a family member in the military

The Paid Family Leave Act provides benefits based on past quarter earnings for up to eight weeks in a 12-month period. The cost of the insurance is fully paid by the employee. The 12-month period begins on the first day an employee submits a claim.

To be eligible for benefits, employees may be required to provide medical and/or other information that supports a claim for time off to bond with a new child or to care for a child, parent, spouse or registered domestic partner with a serious health condition.

The employee is responsible for filing their claim for family leave insurance benefits and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from the Employment Development Department by telephone, letter, the Internet or in person. All eligibility and benefit determinations are made by the Employment Development Department.

Employees may not be eligible for Paid Family Leave benefits if they are receiving Disability Insurance, Unemployment Compensation Insurance or Workers' Compensation benefits.

The Paid Family Leave Act does not provide a right to leave, job protection or return to work rights. Further, this policy does not provide additional time off; rather, family leave insurance may provide compensation during an approved leave pursuant to any corporation provided leave.

CALIFORNIA FAMILY RIGHTS ACT

The California Family Rights Act (CFRA) allows a California employee to take 12 weeks of unpaid leave for family care and medical leave. To be eligible, an employee must have worked more than 12 months for the Company and have worked at least 1,250 hours in the 12 months immediately before taking leave.

Eligible employees may take CFRA leave for the following reasons:

- To bond with a new child after the child's birth, adoption, or placement in foster care with the employee ("baby bonding leave")
- To care for a family member who has a serious health condition. For this leave reason, family members include parents, children, spouses, registered domestic partners, grandparents, grandchildren, and siblings.
- For the employee's own qualifying serious health condition that makes the employee unable to perform their job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, registered domestic partner, child, or parent.

Leave may be taken on an intermittent or reduced schedule basis if needed for an employee's own serious health condition or for the care of a family member with a serious health condition.

Baby bonding leave should generally be requested in increments of two weeks or more. The Company will grant two of an employee's requests for baby bonding leave of less than two weeks.

Employees should provide the Company with 30 days' notice of the intent to take family or medical leave. When this is not possible, notice should be given as soon as practical. The Company may request certification from a healthcare provider to confirm an employee's need for medical leave to care for themselves or a family member.

Employees who take leave will be reinstated to the same or an equivalent position upon return. Health coverage, if provided, will continue as if the employee was not on leave. Other benefits or seniority will accrue if they would during other types of leave. FMLA and CFRA will run concurrently if an employee is entitled to both and the reason for leave is covered by both entitlements.

Pregnancy disability leave is separate from this policy. An employee in California may take both pregnancy disability leave and baby bonding leave. Please contact Human Resources for additional details on which leave laws may apply to your circumstances.

TEMPORARY DISABILITY LEAVE

The Company recognizes that a temporary disability may prevent employees from coming to work for a period of time. In such cases, the Company may grant a temporary disability leave. This leave does not have a minimum or maximum time frame. Rather, the Company will attempt to reasonably accommodate the needs of the employee as well as the needs of the Company. If a leave is granted, any extensions will be subject to the same considerations.

Employees requesting a temporary disability leave must document their request in writing. That request should be accompanied by a doctor's statement identifying how the temporary disability limits the employee's ability to work, the date and the estimated date of return and, where appropriate, diagnosis and prognosis. Should the employee's expected return date change, the employee should notify the Company as soon as possible. Prior to returning to employment with the Company, employees will be required to submit written medical certification of their ability to work, including any restrictions. Upon returning to work, if employees qualify, they will be reinstated to their former position or one that is substantially the same, depending upon the availability of any position at that time.

The leave will be unpaid, except that employees must use any available paid sick leave concurrently and may choose to use other accrued paid time off concurrently once their sick leave has been exhausted.

PREGNANCY LEAVE

The Pregnancy Disability Leave (PDL) Act allows an employee who is disabled due to pregnancy, childbirth, or related medical conditions to take a pregnancy-related disability leave for the period of actual disability, up to a maximum of four months. The duration of the leave is determined by the employee's physician. Part-time employees are entitled to leave on a prorated basis. Employees will be required to provide medical certification supporting the need to time away under pregnancy disability leave.

Employees who take leave for pregnancy, childbirth, or a related medical condition will be treated like an employee with any other disability and will be eligible for temporary disability benefits in the same amount as any other employee on leave.

Regular and temporary full- and part-time employees of the Company are eligible for pregnancy leave without regard to length of employment. Any accrued but unused sick leave will be substituted for unpaid pregnancy disability leave. Employees may elect to substitute any other accrued but unused paid time off for unpaid pregnancy disability leave.

Upon request of the employee and recommendation of the employee's physician, the employee's work assignment may be changed to protect the health and safety of the employee and her child. Temporary transfers due to health considerations will be granted when possible. The transferred employee must be qualified for the position, and they will have an equivalent rate of pay and benefits received in the position they occupied immediately before the leave.

The Company will maintain health coverage during the period of actual disability, up to a maximum of four months, in addition to the requirement to maintain health coverage during an approved leave under the California Family Rights Act (CFRA) of up to 12 weeks, if applicable.

At the end of the employee's pregnancy disability leave, an employee who has a physical or mental disability (related to pregnancy or otherwise) may be entitled to reasonable accommodation, including additional leave, for that disability.

MILITARY LEAVE

If employees are on an extended military leave of absence, they are entitled to be restored to their previously held position or similar position, if available, without loss of any rights, privileges or benefits provided the employee meets the requirements specified in the Uniformed Services Employment and Reemployment Rights Act (USERRA).

An employee who is a member of the reserve corps of the armed forces of the United States or of the National Guard or the Naval Militia will be granted temporary leave of absence without pay while engaged in military duty as required by state employment law.

A letter from the employee's commanding officer is required to establish the dates of duty.

MILITARY FAMILY LEAVE

An employee who works an average of 20 or more hours per week whose spouse is a member of the Armed Forces, National Guard or Reserves that has been deployed during a period of military conflict is eligible to receive up to 10 unpaid days off when their spouse is on leave from military deployment.

An employee must provide their supervisor with a notice of intention to take leave within two business days of receiving official notice that their spouse will be on leave from deployment. Employees taking family military leave must also provide the Company with written documentation certifying their spouse will be on leave from deployment.

CIVIL AIR PATROL LEAVE

The Company will provide not less than 10 days of leave per year for voluntary members of the California Wing of the Civil Air Patrol in order for volunteers to respond to an emergency operational mission.

The employee volunteer must be employed for at least 90 days immediately before the leave begins. Employees are required to give the Company as much notice as possible of the intended leave dates. Upon return, the employee is entitled to their position or position with equivalent seniority, benefits, pay and other terms of employment unless conditions unrelated to leave render such restoration impractical.

VOLUNTEER EMERGENCY RESPONDER LEAVE

Employees who are volunteer firefighters, reserve peace officers, or emergency rescue personnel will be allowed to take temporary unpaid leaves of absence for the purpose of performing emergency duties. Employees will also be allowed up to 14 days of unpaid leave per calendar year for training.

Employees who are volunteer emergency responders should inform their supervisor so that they are aware that the employee may need to take time off for emergency duty. When an employee is called to an emergency and needs to miss work, they should alert their supervisor before doing so whenever possible.

JURY SERVICE LEAVE

If an employee is summoned to report for jury duty, they will be granted a leave of absence when they notify and submit a copy of the original summons for jury duty to their supervisor or manager. The Company reserves the right to request that they seek to be excused from or request postponement of jury service if the absence from work would create a hardship to the Company.

Any fees received for jury duty, including travel fees, are to be retained by the employee. Employees are to report to work on any day, or portion thereof that is not actually spent in the performance of jury service. For each week of jury duty, a certificate of jury service must be certified by the Court and filed with the Company no later than Wednesday of the following week.

The leave is unpaid, but employees are allowed to use any available paid time off towards the absence. Exempt employees will be paid in accordance with the Fair Labor Standards Act (FLSA) requirements.

WITNESS LEAVE

If an employee is absent from work to serve as a witness in a judicial proceeding in which they are the victim, or in response to a subpoena or other order of the court, the employee will be granted leave without pay for such time as it is necessary to comply with the request. The Company may request proof of the need for leave.

VOTING LEAVE

If an employee cannot vote because of their scheduled work hours, then the employee will be given additional time off to vote in any state or federal election.

Employees must apply for leave at least two days before Election Day. The Company may specify the time during the day that leave can be taken. Generally, time off will be at the beginning or end of their shift, whichever allows the most free time for voting and the least time off from the regular working shift, unless otherwise mutually agreed upon.

Up to two hours will be compensated at the employee's regular rate of pay. Additional time off, when necessary, will be unpaid. Exempt employees will be paid in accordance with the Fair Labor Standards Act.

CRIME VICTIM LEAVE AND ACCOMMODATIONS

An employee who is the victim of crime or abuse, or whose family member has died as a result of a crime, will be allowed to take time off work to attend court proceedings or to seek a restraining order or other relief for their or their child's health, safety, or welfare.

A victim, or employee whose family member has died as a result of a crime, will also be granted time off from work to seek medical attention for related injuries; to obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency to get psychological counseling or mental health services; or to take action to increase their safety, including temporary or permanent relocation.

Employees should provide reasonable notice of their absence if the need for leave is foreseeable. If an employee is unable to give advance notice, the Company may require documentation of the need for leave after it has been taken.

This leave is unpaid, but employees may use any accrued paid time off towards the leave. Exempt employees will be paid in accordance with state and federal wage and hour laws.

The Company will make reasonable accommodations for victims of domestic violence, sexual assault, or stalking, including but not limited to the implementation of safety measures. Employees should contact HR for additional information.

BONE MARROW DONATION LEAVE

Employees will be granted up to five working days of paid time off for the purpose of donating bone marrow. Employees are required to utilize any earned vacation or sick leave, but if this leave has been exhausted, the Company will continue to pay regular wages for up to five working days. Leave can be taken intermittently.

Any applicable benefits including the employees' health coverage, accrued paid time off (e.g. vacation, sick leave, etc.), and other benefits will be maintained during the leave. Bone marrow donation leaves of absence do not run concurrently with leaves under the Family and Medical Leave Act (FMLA) or the California Family Rights Act (CFRA). Upon returning to work from a donor leave, the employee will be restored to the same or an equivalent position. The Company may request proof of the need for leave.

ORGAN DONATION LEAVE

Employees will be granted up to 30 working days of paid leave, followed by up to 30 days of unpaid leave for organ donation. Employees are required to use any earned but unused sick leave or vacation time (up to a maximum of two weeks), but if this leave has been exhausted or the leave exceeds two weeks, the Company will continue to pay regular wages for up to 30 days.

Any applicable benefits, including the employee's health coverage and accrued paid time off, will be maintained during the leave. Organ donation leaves of absence must be granted in addition to time under the Family and Medical Leave Act (FMLA) or the California Family Rights Act (CFRA). Upon returning to work from a donor leave, the employee will be restored to the same or an equivalent position. The Company may request proof of the need for leave.

REHABILITATION LEAVE

The Company is committed to providing assistance to our employees. Any employee who wishes to voluntarily enter and participate in an alcohol and/or drug rehabilitation program may be granted a reasonable accommodation. This accommodation may include time off without pay and/or an adjusted work schedule, provided the accommodation does not impose an undue hardship on the Company. In general, it is the employee's responsibility to notify their supervisor or manager of the need for accommodation.

This policy does not prevent the Company from refusing to hire or disciplining, up to and including discharge, an employee who is unable to perform his or her duties or cannot perform the duties in a manner that would not endanger his or her health or safety or the health or safety of others because of the current use of alcohol or drugs.

LITERACY EDUCATION ASSISTANCE

The Company will reasonably accommodate and assist any employee who reveals a problem with literacy and requests assistance in enrolling in an adult literacy education program, provided that it does not impose an undue hardship on the Company.

The Company will make reasonable efforts to safeguard the privacy of the employee as to the reason for their request under this policy. Approved time off of work to enroll and participate in an adult literacy education program will be unpaid; exempt employees will be paid in accordance with the Fair Labor Standards Act (FLSA).

SCHOOL LEAVE FOR ACTIVITY ATTENDANCE

The Company will grant employees who are the parent, guardian, or grandparent of a child in grades K-12, or of a child attending a licensed daycare facility, up to 40 hours of leave without pay per calendar year to participate in activities of their child's school or daycare facility. This leave should not exceed 8 hours in any calendar month, except in case of emergency. Requests for such leave must be made in advance of the planned absence and employees may be asked for proof of the need for leave.

The employee must use available vacation or personal leave for school visitation, and must take leave without pay if no paid leave is available. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

FAMILY AND MEDICAL LEAVE ACT

Leave Entitlements

Under the Family and Medical Leave Act (FMLA), an eligible employee can take up to 12 weeks of unpaid, job-protected leave in a 12-month period. To be eligible, an employee must meet the following three criteria:

- Have worked for the Company for at least 12 months;
- Have at least 1,250 hours of service in the 12 months before taking leave; and
- Work at a location where the Company has at least 50 employees within 75 miles of the employee's worksite.

Eligible employees can take leave for the following reasons:

- The birth of a child or placement of a child for adoption or foster care;
- To bond with a child (leave must be taken within one year of the child's birth or placement);

- To care for the employee's spouse, child, or parent who has a qualifying serious health condition;
- For the employee's own qualifying serious health condition that makes the employee unable to perform their job;
- For qualifying exigencies related to the foreign deployment of a military member who is the employee's spouse, child, or parent.

An eligible employee who is a covered servicemember's spouse, child, parent, or next of kin may also take up to 26 weeks of FMLA leave in a single 12-month period to care for the servicemember with a serious injury or illness.

Upon return from FMLA leave, most employees must be restored to the same job or one nearly identical to it with equivalent pay, benefits, and other employment terms and conditions.

Using Leave

An employee does not need to use leave in one block. When it is medically necessary or the Company otherwise approves, employees may take leave intermittently or on a reduced schedule. Employees on FMLA leave may be required to report periodically to the Company regarding their status and intent to return to work. An employee who fails to return to work at the expiration of the leave without an approved extension will be considered to have resigned.

Employees must inform the Company if the need for leave is for a reason for which FMLA leave was previously taken or certified.

Employees may choose, or the Company may require, use of accrued paid leave while taking FMLA leave. If an employee substitutes accrued paid leave for FMLA leave, they must comply with the Company's normal paid leave policies.

Employees must give 30 days' advance notice of the need for FMLA leave. If it is not possible to give 30 days' notice, an employee must notify their manager as soon as possible.

Documentation

The Company may require a certification from a health care provider, and periodic recertification, supporting the need for leave. If certification is requested, employees will have 15 days to provide it. If we determine that the certification is incomplete, we will provide a written notice indicating what additional information is required.

Employees do not have to share a medical diagnosis but must provide enough information so that the Company can determine if the leave qualifies for FMLA protection. Sufficient information could include a doctor's note informing the Company that the employee is or

will be unable to perform their job functions, that a family member cannot perform daily activities, or that hospitalization or continuing medical treatment is necessary.

If we become aware that an employee's need for leave is for a reason that may qualify under the FMLA, we will notify the employee if they are eligible for FMLA leave and, if eligible, provide a notice of rights and responsibilities under the FMLA. If the employee is not eligible, we will provide a reason for ineligibility. The Company will notify employees if leave will be designated as FMLA leave, and if so, how much leave will be designated as FMLA leave.

Benefits

While employees are on FMLA leave, health insurance coverage will continue as if the employees were not on leave. Employees are responsible for their portion of the medical insurance premium cost, if any. Failure to pay the employee portion of the health insurance premiums in advance (or on the schedule established by the payroll department) may result in the termination of coverage. If eligible, the employee will receive notification of continuation of benefits.

The Company reserves the right to seek reimbursement from the employee for the medical insurance premiums paid by the Company while the employee was on FMLA leave if the employee fails to return from FMLA. The Company will not seek reimbursement if the failure to return is due to continuation, recurrence, or onset of a serious health condition of the employee or the employee's family member that would otherwise qualify for FMLA leave, or other circumstances beyond the employee's control.

The Company will not interfere with an employee's FMLA rights or retaliate against them for using or trying to use FMLA leave, opposing any practice made unlawful by the FMLA, or being involved in any proceeding under or related to the FMLA.

Employees who believe they have not received the benefits to which they are entitled under FMLA are strongly encouraged to speak to another member of management or Human Resources for clarification or resolution. Failing that, an employee is able to file a complaint with the U.S. Department of Labor, Wage and Hour Division, or may bring a private action. FMLA does not affect any federal or state law prohibiting discrimination or supersede any state or local law or collective bargaining agreement that provides greater family or medical leave rights.

SCHOOL LEAVE FOR DISCIPLINARY MATTERS

The Company will grant unpaid time off for employees who are parents or guardians of school-age children who need time off to attend disciplinary events at school such as hearings and/or meetings for other events including suspension and expulsion. Employees are required to give reasonable notice to the Company that they need to take time off.

The employee must use available vacation or personal leave for school visitation, and must take leave without pay if no paid leave is available. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

PERSONAL LEAVE OF ABSENCE

Regular full-time employees who have been with the Company for more than six months may request a personal leave of absence without pay. The employee must submit their request in writing and state the date they would like the leave to begin, the date they expect to return, and the reason for the leave. The Company will consider all factors, including the necessity of the leave and the impact on business operations, and provide written approval or denial of the request at its sole discretion.

If approved, employees must use their leave of absence for the approved purpose. Sick leave, vacation time, seniority and other benefits will not accrue during an unpaid leave of absence. Holidays that occur during the leave of absence will not be paid. If an employee fails to return to work on the scheduled date of return, the Company will assume the employee has resigned.

HEALTH, SAFETY, AND SECURITY

NON-SMOKING

California law prohibits smoking in any public building or within 20 feet of a main entrance, exit, or window of a public building. The Company does not permit smoking in any company buildings, facilities, work sites, or vehicles. Employees wishing to smoke should do so during their break times, outside company buildings in designated areas, and in accordance with local ordinances.

DRUG AND ALCOHOL

The Company is dedicated to providing employees with a workplace that is free of drugs and alcohol. While on Company premises, whether during work time or non-work time, employees are prohibited from being under the influence of drugs or alcohol. There are limited exceptions for the use of prescription drugs (not including marijuana), as long as they do not create safety issues or impair an employee's ability to do their job, and the moderate use of alcohol at company-sponsored or sanctioned events.

Employees are strictly prohibited from possessing illegal drugs, marijuana, or excessive quantities of prescription or over-the-counter drugs while on Company premises, performing Company-related duties, or operating any Company equipment. Any drugs confiscated that are suspected of being illegal will be turned over to the appropriate law enforcement agency.

Employees taking medication should consult a medical professional to determine whether the drug may affect their personal safety or ability to perform their job and should advise their manager of any resulting job limitations. Once notified, the Company will make reasonable efforts to accommodate the limitation.

The Company reserves the right to test any employee for the use of illegal drugs, marijuana, or alcohol, in accordance with applicable law. Employees in safety-sensitive positions may be subject to regular or random drug testing. Drug or alcohol tests may also be conducted after an accident in which drugs or alcohol could reasonably be involved, or when behavior or impairment on the job creates reasonable suspicion of use. Under those circumstances, the employee may be driven to a certified lab for testing at the Company's expense. Refusal to be tested for drugs or alcohol will be treated the same as a positive test result.

Violation of this policy may result in discipline, up to and including termination.

To the extent that any federal, state, or local law or regulation limits or prohibits the application of any provision of this policy, then that particular provision will be ineffective in that jurisdiction only, while the remainder of the policy remains in effect.

REASONABLE ACCOMMODATIONS

If the Company is made aware of an employee's disability and resulting need for accommodation, Human Resources or the employee's manager will engage with them in the interactive process. This process will determine what, if any, accommodations are necessary and reasonable in order to assist the employee in doing the essential functions of their job. Whether an accommodation is reasonable will be determined based on a number of factors, including whether it will effectively assist the employee in doing the essential functions of their job, the cost, and the effect on business operations. In most cases, employees will be required to provide documentation from an appropriate healthcare provider. Human Resources will provide employees with the necessary form.

All employees are required to comply with safety standards. Employees who pose a direct threat to the health or safety of themselves or others in the workplace may be temporarily moved into another position or placed on leave until it is determined if a reasonable accommodation will effectively mitigate the risk.

INJURY AND ACCIDENT RESPONSE AND REPORTING

If an employee is injured or witnesses an injury at work, they must report it immediately to the nearest available manager. Employees should render any assistance requested by that manager. When any accident, injury, or illness occurs while an employee is at work, regardless of the nature or severity, the employee must complete an injury reporting form and return it to Human Resources as soon as possible. Reporting should not be allowed to delay necessary medical attention. Once the accident is reported, follow-up will be handled by Human Resources or the designated Safety Officer, including a determination as to whether the injured employee may return to work.

Questions asked by law enforcement or fire officials making an investigative report should be answered giving only factual information and avoiding speculation. Liability for personal injury or property damage should never be admitted in answering an investigatory question asked by law enforcement or fire officials.

In addition to compliance with safety measures imposed by federal Occupational Safety and Health Act (OSHA) and state law, the Company has an independent interest in making its facilities a safe and healthy place to work. The Company recognizes that employees may be in a position to notice dangerous conditions and practices and therefore encourages employees to report such conditions, as well as non-functioning or hazardous equipment, to a manager immediately. Appropriate remedial measures will be taken when possible and appropriate. Employees will not be retaliated or discriminated against for reporting of accidents, injuries, or illnesses, filing of safety-related complaints, or requesting to see injury and illness logs.

WORKERS' COMPENSATION

The Company carries insurance that covers work-related injuries and illnesses. The workers' compensation insurance carrier governs the benefits provided. These benefits

will not be limited, expanded, or modified by any statements of Company personnel or Company documents. In the case of any discrepancy, the insurance carrier's documents will control.

WORKPLACE VIOLENCE AND SECURITY

The Company expects all employees to conduct themselves in a non-threatening, non-abusive manner at all times. No direct, conditional, or veiled threat of harm to any employee, customer, business partner, or Company property will be acceptable. Acts of violence or intimidation of others will not be tolerated. Any employee who commits, or threatens to commit, a violent act against any person while on Company premises, will be subject to discipline, up to immediate termination.

Employees share the responsibility of identifying and alleviating threatening or violent behaviors. Any employee who is subjected to or threatened with violence, or who is aware of another individual who has been subjected to or threatened with violence, should immediately report this information to a manager. Threats will be investigated and appropriate remedial or disciplinary action will be taken.

REPORTING

Accident and Incident Reporting

To comply with the accident reporting and evaluation requirements employee must report to direct supervisor as soon as possible any incident or accident resulting in property damage and any incident or accident involving any pedestrian or occupant of any type of vehicle, whether or not the incident or accident appears to have resulted in personal injury, regardless of who appears to be at fault, and regardless of the size or weight of the CMV being utilized by the driver. Failure to notify your supervisor of an accident or incident from the scene of the accident/incident as soon as it is safe to do so, will result in immediate disqualification as a driver for FedEx and termination from the Company.

Traffic Citations, License Suspension, and Conviction Reporting

Employee must notify supervisor of any and all traffic citations or driver's license suspensions, revocation or disqualifications to ensure ongoing safety and security.

Hazardous Material, Fuel and Waste Spillage Reporting

All employees must comply with applicable law governing the handling and transportation of hazardous material, fuel and waste. To comply with DOT and other government reporting mandates, employees must notify supervisor immediately as to all hazardous material, waste and fuel spillage occurring while providing services.

DRIVING SAFETY

Employees who drive on Company business are expected to drive safely and responsibly and to use common sense and courtesy. Employees are also subject to the following rules and conditions:

1. A valid driver's license must be maintained as a condition of continued employment for positions that require driving. The company may request to see an employee's license at any time.
2. Employees may not use a Company vehicle without express authorization from management.
3. If Company vehicles are generally used for Company business, employees must receive authorization from management to use their personal vehicle instead.
4. Employees who drive their own vehicles for work must maintain the minimum amount of insurance required by state law as a condition of continued employment. The Company may request proof of insurance at any time.
5. Employees must wear seat belts at all times, whether they are the driver or a passenger.
6. With the exception of a phone being used only for navigation purposes, employees are required to turn off cell phones or put them on silent before starting their car. Employees are permitted and encouraged to communicate to clients, associates, and business partners the reason why calls may not be returned immediately.
7. Employees who are using a device for navigation purposes should complete all set up before starting the vehicle.
8. Use of electronic devices for purposes other than navigation is strictly prohibited. This includes, but is not limited to, making or receiving phone calls, sending or receiving text messages or e-mails, browsing the internet, reading books, and downloading information from the web. If an employee needs to engage in any of these activities while driving, they must pull over to a safe location and stop the vehicle prior to using any device.
9. Employees should not engage in other distracting activities such as eating, shaving, or putting on makeup, even in stopped or slow-moving traffic.
10. The use of alcohol, drugs, or other substances that in any way impair driving ability is prohibited. This includes, but is not limited to, over-the-counter cold or allergy medications and sleep aids that have a residual effect.
11. Employees must follow all driving laws and safety rules, such as adherence to posted speed limits and directional signs, use of turn signals, and avoidance of confrontational or offensive behavior while driving.
12. All passengers must be approved by management in advance of travel.
13. Employees must not allow anyone to ride in any part of the vehicle not specifically intended for passenger use or any seat that does not have a working seat belt.
14. Employees must promptly report any accidents to local law enforcement as well as the Company.
15. Employees must promptly report any moving or parking violations received while driving on Company business or in Company vehicles.

INCLEMENT WEATHER AND OUTAGES

This policy establishes guidelines for Company operations during periods of extreme weather and similar emergencies. The Company will remain open in all but the most extreme circumstances. Unless an emergency closing is announced, all employees are expected to report to work. However, the Company does not advise employees to take unwarranted risks when traveling to work in the event of inclement weather or other emergencies. Each employee should exercise their best judgment with regard to road conditions and other safety concerns.

Designation of Emergency Closing

Only by the authorization of designated managers will the Company cease operations due to emergency circumstances. If severe weather conditions develop during working hours, it is at the discretion of Management to release employees. Employees will generally be expected to remain at work until the appointed closing time.

Procedures during Closings

If weather or traveling conditions delay or prevent an employee's reporting to work, their immediate supervisor should be notified as soon as possible. If possible, such notification should be made by a telephone conversation directly with the supervisor. If direct contact is not possible, leaving a detailed voicemail message or message with another employee is acceptable.

An employee who is unable to report to work may use any accrued time off or take the day off without pay.

Pay and Leave Practices

When a partial or full-day closing is authorized by Management, the following pay and paid leave practices apply:

- Non-exempt hourly employees will be sent home for partial days with the option of using paid time off for the remainder of the day. If paid time off is not available, employees will be excused from work without pay and without disciplinary action.
- Exempt employees will be expected to continue work from home if their job duties allow. The Company will pay the exempt employee's regular salary regardless, as outlined in the Payroll Deductions policy.
- Exempt and non-exempt employees already scheduled to be off during emergency closings are charged such leave as was scheduled.

Other Work Options

Supervisors may approve requests for employees to temporarily work from home, if doing so allows completion of work assignments.

WORKPLACE GUIDELINES

HOURS OF WORK

It is critical to the success of our business that we deliver all of our packages on a timely basis. Therefore, start times will vary depending upon the number of packages to be delivered, the complexity of the route and the efficiency of the driver. The workday normally starts at 7:30 AM (subject to change, based on business needs) and ends when all packages are delivered.

Consistent with our responsibility to clients and other employees, we expect you to work as scheduled and, arrange your personal schedule to accommodate the company's established working hours, and to notify us as early as possible if you expect to be absent or tardy. Because of the type of work that we do, an employee's absence or tardiness puts significant pressure on other employees. We try to be flexible and to accommodate unexpected, legitimate problems, but excessive tardiness or unexplained or excessive absence is not acceptable and will result in verbal and/or written warnings up to and including termination.

OVERTIME HOURS POLICY

Because of the nature of our business, your job may periodically require overtime work. Drivers who operate a commercial vehicle of over 10,000 pounds fall under the overtime exemption under DOT regulations and are not required by law to be compensated for overtime hours at the standard time and a half rate.

OFF-THE-CLOCK WORK

Non-exempt employees must accurately record all time worked, regardless of when and where the work is performed. Off-the-clock work (doing work that is not reported in the timekeeping system) is prohibited. No member of management may request, require, or authorize non-exempt employees to perform work without compensation. Any possible violations should be reported promptly to a member of management.

D.O.T. HOURS OF SERVICE COMPLIANCE

Hours-of-service regulations put limits in place for when and how long a commercial motor vehicle driver may drive. The hours-of-service regulations are found in Part 395 of the Federal Motor Carrier Safety Regulations and are developed and enforced by the Federal Motor Carrier Safety Administration.

- May drive a maximum of 11 hours after 10 consecutive hours off duty.
- May not drive beyond the 14th consecutive hour after coming on duty, following 10 consecutive hours off duty. Off-duty time does not extend the 14-hour period.
- May not drive after 60/70 hours on duty in 7/8 consecutive days. A driver may restart a 7/8 consecutive day period after taking 34 or more consecutive hours off duty.

MEAL PERIODS

Employees are entitled to take a non-compensated meal period each workday of 30 minutes. No employee will be scheduled to work more than five consecutive hours in a workday without taking a meal period. In no case may any meal period be waived to shorten an employee's work hours or to be used in lieu of time without pay. Any employee who is scheduled to work not more than six hours in any workday may, by mutual agreement between the Company and the employee, work without a meal period.

When the work period is 10 hours per day, a second meal period of at least 30 minutes will be provided. If the total hours worked is 12 or fewer, the second meal period may be waived by mutual consent of the Company and the employee only if the first meal period was not waived. If the nature of the work prevents relief from all duties, then the on-duty meal period will be compensated.

REST PERIODS

Employees will take a 10-minute rest period during each half of a full workday or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half hours. Any variances in rest periods are subject to advance management approval.

LACTATION ACCOMMODATION

The Company provides a supportive environment to enable breastfeeding employees to express their milk during work hours. Accommodations under this policy include a private place (other than a bathroom) as well as unpaid time to express milk. If a dedicated lactation space is not possible, a multi-use area will be made available and a lactating employee will be given priority.

Employees should request lactation accommodations through their manager or Human Resources in person or by phone or email. Managers who receive requests for lactation accommodations should contact Human Resources or a member of the leadership team if they have any doubt about their ability to accommodate the request. The Company will respond to the request either by providing the requested accommodations in full or by providing what is possible and giving the employee a written explanation as to why any other part of the request could not be granted.

When possible, employees should take their lactation breaks concurrently with their meal and rest breaks, if applicable. Employees will be paid for the duration of their standard rest breaks, and additional time will be unpaid. Exempt employee pay will not be affected by lactation break time.

Any form of discrimination or harassment related to breastfeeding is unacceptable and will not be tolerated. Employees who believe they are not being provided with accommodations as required by law may file a complaint with the Labor Commissioner.

ATTENDANCE AND TARDINESS

Employees are expected to be at work and ready to go when their scheduled shift begins or resumes. If an employee is unable to be at work on time, or at all, they must notify their manager no later than 30 minutes before the start of their scheduled work day. If an employee's manager is not available, the employee should contact another member of management. If an employee is physically unable to contact the Company, they should ask another person to make contact on their behalf. Leaving a message with a co-worker or answering service is not considered proper notification. Excessive tardiness or absences are unacceptable job performance.

When an employee calls in absent, they should provide their expected time or date of return. The Company reserves the right to require proof of the need for absence, if allowed by law. If an employee is absent for three consecutive days and has not provided proper notification, the Company will assume that the employee has voluntarily quit their position and will proceed with the termination process.

If an employee becomes ill during their scheduled work day and feels they may need to leave before the end of their shift, they should notify their manager immediately. If an employee is unable to perform their job at an acceptable level, they may be sent home until they are well enough to work.

Absences should be arranged as far in advance as possible. When an employee needs to be absent during the workday they should attempt to schedule their outside appointment or obligation so that their absence has the smallest impact possible on business operations.

PERSONAL APPEARANCE AND HYGIENE

Employees are expected to present a professional image, both through behavior and appearance. Accordingly, employees must wear work-appropriate attire during the workday or any time they are representing the company. A company uniform is provided to all customer interacting positions that includes FedEx shirt, pants, hat, and badge. Uniforms should be kept clean and neat in appearance. Employees should consider their level of customer and public contact and the types of meetings they are scheduled to attend in determining what attire is appropriate.

The following are generally not acceptable:

- Bare feet or flip flops
- Spandex, sweats, or work out attire
- Sagging pants, shorts, or skirts

- Sexually provocative clothing or exposed undergarments
- Clothing with offensive slogans or pictures
- Clothing showing excessive wear and tear
- Any clothing or accessories that would present a safety hazard
- Visible tattoos that are not appropriate in content

All employees are expected to maintain appropriate oral and bodily hygiene. Hair (including facial hair) should be clean and neat. Accessories should not interfere with an employee's work. The excessive use of perfume or cologne is unacceptable, as are odors that are disruptive or offensive to others or may exacerbate allergies.

Managers are responsible for enforcing dress and grooming standards for their department. Any employee whose appearance does not meet these standards may be counseled. If their appearance is unduly distracting or the clothing is unsafe, the employee may be sent home to change into something more appropriate.

Reasonable accommodation will be made for employees' sincerely held religious beliefs and disabilities when such accommodations do not cause an undue burden. Employees who would like to request an accommodation or have other questions about this policy should contact their supervisor.

CONFIDENTIALITY

Employees may not disclose any confidential information or trade secrets to anyone outside the Company without the appropriate authorization. Confidential information may include internal reports, financials, client lists, methods of production, or other internal business-related communications. Trade secrets may include information regarding the development of systems, processes, products, design, instrument, formulas and technology. Confidential information may only be disclosed or discussed with those who need the information. Conversation of a confidential nature should not be held within earshot of the public or clients.

When any inquiry is made regarding an employee, former employee, client, or customer, the inquiry should be forwarded to a manager or Human Resources without comment from the employee.

This policy is intended to alert employees to the need for discretion at all times and is not intended to inhibit normal business communications. In addition, nothing in this policy is intended to infringe upon employee rights under Section 7 of the National Labor Relations Act.

CONFLICT OF INTEREST

A conflict of interest arises when an employee is engaged in activity that could be detrimental to the company. This includes when an employee improperly uses their position with the company for personal gain or the gain of someone with whom they have

a relationship. *Improper use* includes behavior that is illegal, as well as behavior that is unethical or questionable to a reasonable person. These are some examples of a conflict of interest:

- An employee requesting or requiring gifts or discounts in exchange for starting or continuing a business relationship with a client or vendor
- An employee selecting a relative's company as a supplier when they have not produced the best proposal
- An employee taking a second job working for a competitor and sharing confidential company information with the competitor
- An employee taking a second job that interferes with their ability to do their work for the Company at their full potential, whether due to scheduling, exhaustion, or some other factor

Because how things appear, whether accurate or not, has a significant impact on the Company's reputation, employees should also avoid the appearance of a conflict of interest. If questions arise as to whether a certain activity or behavior is a conflict of interest, employees should speak with their manager or HR.

BUSINESS GIFTS

Employees are prohibited from directly or indirectly requesting or accepting a gift for themselves or the company that has a value of \$50 or more. If an employee is offered or given anything of value from any client, prospective client, vendor, or business partner in connection with company business, they should alert their manager immediately.

OUTSIDE ACTIVITIES

Employees may engage in outside employment during non-working hours, provided doing so does not interfere with their job performance or constitute a conflict of interest. Prior to accepting outside employment, employees should notify their manager in writing. The notice must include the name of the Company, the title and nature of the position, the number of working hours per week, and the time of scheduled work hours. If the position constitutes a conflict of interest or interferes with the employee's job at any time, they may be required to limit or end their outside employment.

REPORTING IRREGULARITIES

Employees should immediately report any actual or suspected theft, fraud, embezzlement, or misuse of Company funds or property, as well as suspicious behavior. An employee who is aware of such activity but does not report it will be considered part of the problem and disciplined accordingly.

INSPECTIONS AND SEARCHES

Any items brought to or taken off of Company premises, whether property of the employee, the Company, or a third party, are subject to inspection or search unless prohibited by state law. Desks, lockers, workstations, work areas, computers, USB drives,

files, e-mails, voice mails, etc. are also subject to inspection or search, as are all other assets owned or controlled by the Company. Any inspection or search conducted by the Company may occur at any time, with or without notice. Failure to submit to a search will be grounds for discipline.

HARDWARE AND SOFTWARE USE

The following guidelines have been established for using the Internet and email in an ethical and professional manner. For the purpose of this policy, Company Internet includes productivity software, instant messaging applications, the Company cloud and networks, the intranet, and any other tool or program provided by or through the Company or its internet connection.

- Company Internet and email may not be used for transmitting, retrieving or storing any communications of a defamatory, discriminatory, harassing, or obscene nature.
- Telephones should only be used for company business. Employees should be professional and conscientious at all times when using Company phones or when using a personal phone for company business.
- Use of personal cell phones or other devices should be held to a reasonable limit. Reasonableness will be determined by management.
- Disparaging, abusive, profane, and offensive language are forbidden.
- Employees must respect all copyrights and may not copy, retrieve, modify, or forward copyrighted materials, except with permission or as a single copy for reference only. Almost every piece of content is or could be copyrighted (a notice of copyright is not required), so employees should proceed with caution when using or reproducing materials.
- Unless necessary for work, employees should avoid sending or receiving large files, watching videos, mass-forwarding emails, or engaging in other activities that either consume large amounts of bandwidth or create electronic clutter.
- Employees may not download any programs, applications, browser extensions, or any other files without prior approval or upon request of a manager.
- Each employee is responsible for the content of all text, audio, or images they place on or send over the Company's internet and email system. Employees may not send messages in which they are not identified as the sender.
- Email is not guaranteed to be private or confidential. The Company reserves the right to examine, monitor, and regulate email messages, directories, and files, as well as internet usage.
- Internal and external email messages are considered business records and may be subject to discovery in the event of litigation.

All company-issued hardware and software, as well as the email system and Internet connection, are Company-owned. Therefore, all Company policies are in effect at all times when they are in use. Access to the internet through the Company's network is a privilege of employment that may be limited or revoked at any time.

SOCIAL MEDIA

The Guiding Rule

Conduct that negatively affects an employee's job performance, the job performance of fellow employees, or the Company's legitimate business interests—including its reputation and ability to make a profit—may result in disciplinary action up to and including termination.

Below are some guidelines for the use of social media. These guidelines are not intended to infringe on an employee's Section 7 rights and any adverse action taken in accordance with this policy will evaluate whether employees were engaged in protected concerted activity.

Avoiding Harassment

Employees must not use statements, photographs, video, or audio that could reasonably be viewed as malicious, obscene, threatening, or intimidating toward customers, employees, or other people or organizations affiliated with the Company. This includes, but is not limited to, posts that could contribute to a hostile work environment on the basis of race, sex, sexual orientation, disability, religion, national origin, or any other status protected by state or federal law.

Avoiding Defamation

Employees must not post anything they know or suspect to be false about the Company or anyone associated with it, including fellow employees and clients. Writing something that is untrue and ultimately harmful to any person or organization is defamation and can lead to significant financial liability for the person who makes the statement.

Confidentiality

Employees must maintain the confidentiality of Company trade secrets and confidential information. Trade secrets include, but are not limited to, information regarding the development of systems, products, and technology. Private and confidential information includes, but is not limited to, customer lists, financial data, and private personal information about other employees or clients that they have not given the employee permission to share.

Representation

Employees must not represent themselves as a spokesperson for the Company unless requested to do so by management. If the Company is a subject of the content being created—whether by an employee or third party—employees should be clear and open about the fact that they are employed with the Company but that their views do not necessarily represent those of the Company.

Accounts

Employees must not use Company email addresses to register for social media accounts unless doing so at the request of management. Employees who manage social media

accounts on behalf of the Company should ensure that at least one member of management has all the login information needed to access the account in their absence.

PERSONAL CELL PHONE USE

The use of personal cell phones, or work cell phones for personal matters, should be held to a reasonable limit during work hours and not interfere with an employee's productivity or the productivity of their coworkers. Reasonableness will be determined by management.

PERSONAL PROPERTY

The Company is not liable for lost, misplaced, or stolen property. Employees should take all precautions necessary to safeguard their personal possessions. Employees should not have their personal mail sent to the Company, as it may be automatically opened, and should check with their manager before having larger items delivered to the workplace.

PARKING

All parking is at an employee's own risk. Employees and visitors should lock their vehicles and take appropriate safeguards to protect their valuables, including removing them from the vehicle if appropriate under the circumstances. Employees are not to park in areas reserved for visitors.

EMPLOYMENT SEPARATION

RESIGNATION

The Company requests that employees provide at least two weeks' written notice of their intent to resign. This notice should be submitted to an employee's manager. Dependent upon the circumstances, an employee may be asked to not work any or all of their notice period, in which case they will be allowed to use up to two weeks of accrued paid time off, if available, from the time notice is given. An exit interview may be requested.

TERMINATION

All employment with the Company is "at-will." This means that either the Company or the employee can terminate the employment relationship at any time, with or without notice, and for any reason allowed by law or for no reason at all. An employee's at-will status can only be changed by written contract, signed by both the employee and the President or CEO.

PERSONAL POSSESSIONS AND RETURN OF COMPANY PROPERTY

All Company property, such as computer equipment, keys, tools, parking passes, or Company credit cards, must be returned immediately at the time of termination. Employees may be responsible for any lost or damaged items. When leaving, employees should ensure that they take all of their personal belongings with them.

EMPLOYEE HANDBOOK ACKNOWLEDGEMENT

JAT TRUCKING, 50 / 60 HEAVEN, UBT TRUCKING

I acknowledge receipt of the Company's Employee Handbook and agree to follow the guidelines within it. I also acknowledge the following:

1. Receipt of this handbook does not create a contract of employment or in any way alter my at-will employment status; the Company or I can end the employment relationship at any time, with or without notice, and with or without cause.
2. I am not entitled to any particular sequence of disciplinary measures prior to termination.
3. With the exception of the at-will employment policy, this handbook may be modified at any time.
4. Violation of any policy in this handbook, or any policy included as an addendum, may be grounds for discipline, up to and including termination.
5. This handbook does not include every process, policy, and expectation applicable to employees, or my position specifically; I may be counseled, disciplined, or terminated for poor behavior or performance even if the behavior or performance issue is not addressed in the handbook.
6. Should any provision in this handbook be in conflict with federal, state, or local law, that provision only will be considered ineffective, while the rest of the handbook remains effective.
7. If I have questions regarding any policy in this handbook, or other expectations related to my behavior or performance, it is my responsibility to speak with my manager or Human Resources.

Signature

Printed Name

Date