

DYNAMIC AUTO IMAGES, INC.
EMPLOYEE HANDBOOK

2019

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1 INTRODUCTION

This document has been developed by the Human Resources Department in order to familiarize employees with Dynamic Auto Images, Inc. (“the Company”) and to provide information about working conditions, key policies, procedures, and benefits affecting employment.

1.1 Welcome

Welcome! We are happy to have you as a new member of our family!

1.2 Changes in Policy

This manual supersedes all previous employee manuals and memos. While every effort is made to keep the contents of this document current, the Company reserves the right to modify, suspend, or terminate any of the policies, procedures, and/or benefits described in the manual with or without prior notice to employees.

This Handbook is not intended to be and is not a contract (express or implied), nor does it otherwise create any legally enforceable contractual obligations on the part of the Company. Statements on any Company documents, or by any employees or principals of the Company, DO NOT constitute or imply an employment contract and SHOULD NOT be relied upon by any job applicant or employee as assuring employment for any period of time or permanent employment.

2 EMPLOYEE DEFINITION AND STATUS

An “employee” of the Company is a person who regularly works for the Company on a wage or salary basis.

2.1 Employment Classification

At the time of hire, each employee is normally notified of his or her status. Company employees are classified in the following ways:

By Length of Employment:

- **Introductory Employees:** An Introductory employee is one who has not yet completed the Introductory Period, as described in Section 2.2, or any extension of the Introductory Period.
- **Regular Employees:** A regular employee is one who has successfully completed the Introductory Period, or any extension of the Introductory Period.

By the Number of Hours Worked:

- **Full-Time Employees:** A Full-Time employee is one who is regularly scheduled to work at least thirty (30) to forty (40) hours per week. If a

particular Full-Time employee works fewer hours in any given week, this does not change the employee's status unless his/her regular schedule is also changed.

- **Regular Part-Time Employees:** A Part-Time employee is one who is regularly scheduled to work less than thirty (30) hours per week.

By Eligibility for Overtime:

- **Non-Exempt Employees:** A Non-Exempt employee is one who is covered by the overtime provisions of the federal Fair Labor Standards Act ("FLSA"), the California Labor Code, or any other applicable federal or state law. Non-Exempt employees may be paid on an hourly basis or they may be paid a fixed salary. All Non-Exempt employees will be paid overtime, in accordance with the law.
- **Exempt Employees:** An Exempt employee is one whose position meets specific tests established by the FLSA, the California Labor Code, or any other applicable federal or state law. Exempt employees include those employees who qualify as exempt executive, administrative or professional employees. Exempt employees are paid a fixed salary and may have to work hours beyond their normal schedules, as work demands or requires, without additional compensation.

2.2 Introductory Period for New Employees

All employees must complete an introductory period of ninety (90) continuous calendar days. During this period, you will have the opportunity to become familiar with the Company, its policies, and your fellow co-workers, and to demonstrate the ability to learn, perform assigned work accurately, and in a timely manner.

Please understand that 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."

3 EMPLOYMENT POLICIES

3.1 Equal Employment Opportunity

The Company is an equal employment opportunity employer. Employment decisions are based on merit and business needs, and not on race, color, citizenship status, national origin, ancestry, gender, sexual orientation, age, weight, religion, creed, mental or physical disability (including pregnancy, childbirth, or related medical conditions), marital status, veteran status, political affiliation, or any other factor protected by federal or state laws.

3.2 Statement of At-Will Employment Status

Your employment with the Company is at-will, which means that your employment is not for a definite period. Pursuant to this at-will employment policy, you may end your employment with the Company at any time, for any reason, and the Company has the same right to end your employment at any time, for any lawful reason. Thus, both you and the Company have the right to end your employment at any time, with or without notice, cause or reason. This is called “at-will” employment.

No one, except the Chief Executive Officer of the Company, can enter into an agreement with an employee for employment for a specified period of time, or make any agreement contrary to this policy of at-will employment. Any such agreement must be in writing and must be signed by both the Chief Executive Officer of the Company and by you.

3.3 Americans with Disabilities Act

It is the policy of the Company to comply with all relevant and applicable provisions of the Americans with Disabilities Act (ADA). The Company will not discriminate against any qualified employee or job applicant with respect to any terms, privileges, or conditions of employment because of a person’s physical or mental disability.

3.4 Immigration Law Compliance

The Company is committed to employing only United States citizens and aliens who are authorized to work in the United States. The Company does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three (3) years, or if their previous I-9 is no longer retained or valid.

3.5 Background & Reference Checks

To ensure that individuals who join the Company are well qualified and to ensure that the Company maintains a safe and productive work environment, the Company may conduct pre-employment background checks on all applicants who accept an offer of employment. The Company may also conduct background checks for current employees to determine eligibility for promotion or reassignment. If information obtained in a background check would lead the Company to deny employment, a copy of the report will be provided to the applicant, and the applicant will have the opportunity to dispute the report’s accuracy.

Background checks may include verification of any information on the applicant’s resume or application form, and may also include an adult criminal record check, although a criminal conviction does not automatically bar an applicant from

employment. Information concerning an applicant's juvenile record will not be inquired into. Additional checks such as a driving record or credit report may be made on applicants for particular job categories if appropriate and job related.

All background checks are conducted in conformity with the Federal Fair Credit Reporting Act, the Americans with Disabilities Act, and state and federal privacy and antidiscrimination laws. Reports are kept confidential and are only viewed by individuals involved in the hiring or evaluation process.

3.6 Anniversary Date

The first day an employee reports to work is his or her official anniversary date. This anniversary date is used to compute the following benefits:

- Vacation and Sick time (not to be taken within the first ninety (90) days of employment).
- Medical Benefits (which are available to an employee who has successfully completed the Introductory Period).
- Ninety (90) day introductory period.

3.7 Personnel Records and Administration

The Company maintains confidential personnel files for each employee. The task of handling personnel records and related administration functions at the Company has been assigned to the Human Resources Department. All personnel files are the Company's property and will not be removed from the Company's premises. The personnel files may include application materials, performance and conduct records, records of attendance and punctuality, promotions, transfers, disciplinary action, warning notices, reviews and other information relative to your employment. Personnel files do *not* contain confidential medical information. Any such information that the Company may obtain is generally maintained in separate files.

The Company strives to protect the confidentiality of employee personnel files by storing them in a safe and secure place. Only authorized individuals are permitted to view confidential personnel files. However, there are limited circumstances in which information contained in personnel records will be released to persons outside of the Company. These include: in response to a subpoena, court order, or an order of an administrative agency; in a lawsuit, administrative proceeding, grievance or arbitration; in a workers' compensation proceeding; to a governmental agency as part of an investigation of the Company's compliance with applicable law; to administer employee benefit plans; to a health care provider; to first aid or emergency personnel, when necessary; and to the Company's agents and attorneys, when necessary.

The Company prohibits the release of personal references by anyone other than the Human Resources Department. When information is requested about any current or former employee, by an outside source such as a potential employer or a credit

agency, the Company will only provide the employee's length of service in terms of hire and termination dates and the last position held. Salary, performance evaluations, and other information will be supplied only with the written consent of the employee identifying what information may be disclosed.

Employees, both current and former, have the right to inspect and receive a copy of his or her own personnel file, with the exception of certain documents, such as confidential evaluations or letters of reference. Upon reasonable request, you may review your own personnel file at a mutually convenient time. To better protect the confidentiality of your file, you may review your file only in the presence of the Human Resources Department or another designated representative of the Company. You may not remove any papers from your file, but you are welcome to copy all documents pertaining to your employment that you have signed. If you wish to comment on any information in your file that you believe is incorrect, you may place a written explanation in your file.

3.8 Proof of Licensure

If the law requires that an employee be licensed, certified or registered, including having a valid driver's license, in order to perform his/her job duties, the employee will be asked to present such evidence (i.e. your California Department of Motor Vehicles driver's license) before the commencement of employment or at annual intervals thereafter. During the course of employment, each employee is responsible for maintaining his/her renewal of licenses, certifications and registrations, including insurability. When an employee fails to maintain a current license, certification or registration, or fails to timely renew, the employee may not normally continue in his/her employment with the Company. The employee will be suspended without pay while such issues are being resolved. The employee may be terminated if these issues are not promptly resolved to the Company's satisfaction.

3.9 Safety

The safety and health of employees is a priority. Details regarding the Company's rules and established procedures for health, safety, and preventing injuries while on the job can be found in the Company's Injury Illness and Prevention Program. Employees can obtain copies at their respective collision center, or Corporate Office. The Company makes every effort to comply with all federal and state workplace safety requirements. Each employee is expected to obey safety rules and exercise caution and common sense in all work activities. Any employee who believes he/she knows of or has heard of any safety hazard is to contact the Human Resources Department promptly.

It is your responsibility to understand the machines and equipment you need to use to perform your duties. Good care of any machine or equipment that you use during the course of your employment, as well as the conservative use of supplies, will benefit you and the Company. If you find that a machine or piece of equipment is not working properly or in any way appears unsafe, please notify your manager immediately so that repairs or adjustments may be made. Under no circumstances

should you start or operate a machine or equipment you deem unsafe, nor should you adjust or modify the safeguards provided.

3.10 Personal Property

The Company is not responsible or liable for personal property that is lost, stolen, destroyed or damaged while you are on duty, whether on or off the Company's premises. The responsibility for safeguarding, replacing or repairing personal property lost, stolen, destroyed or damaged while on duty is that of the individual. Accordingly, the Company encourages employees not to bring valuable personal property to work.

Personal property includes your vehicle. Be sure to lock your doors while parked on the Company premises. The Company will not accept responsibility for any loss or damage to your vehicle or any other personal property.

3.11 Health-Related Issues

Employees who become aware of any health-related issues resulting from their work with the Company or that could impair their ability to perform their duties in a safe or competent manner should notify their supervisor of such as soon as possible.

3.12 Employee Requiring Medical Attention

When an employee is injured while at work and needs medical care beyond first aid, the employee should be taken to the nearest Emergency Care Facility. In case of an injury, the first concern must be the employee's well-being. However, certain procedures must be followed in order to ensure that the injury details are recorded accurately. In general, employees injured at work should also report all work-related injuries and accidents immediately to their supervisor, and to Human Resources. Refer to the appropriate section below for more information and procedures with respect to applying for workers compensation insurance.

3.13 Visitors in the Workplace

For safety, insurance, and other business considerations, only authorized visitors are allowed in the workplace.

3.14 Weather-Related and Emergency-Related Closings

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. In such instances, Executive Staff will decide on the closure and Human Resources will provide the official notification to the employees.

3.15 Vehicle Use

Valid License and Insurance Required

If an employee's job duties require operation of a motor vehicle, the employee must present and maintain a valid driver's license for the appropriate class of vehicle and must have a driving record acceptable to the Company and its insurance carrier. The employee also must provide to the Human Resource department a copy of his or her current California driver's license and a printout of their California Department of Motor Vehicles driving record *before* beginning any driving duties and upon any demand thereafter. The employee must immediately advise the Human Resource department in writing if the employee's license expires without being renewed or if it is suspended or revoked for any reason. Failure to do so may result in discipline, up to and including immediate termination.

If you use your personal vehicle for Company business, you must carry adequate automobile insurance under California law or as required by the Company insurance carrier, whichever is greater. You must provide proof of adequate insurance to the Company at the time you first use your vehicle and upon renewal of the insurance. You must immediately advise the Company if your coverage ceases or changes for any reason.

Safe Driving Practices Required

Employees operating a vehicle for Company business are required to obey all traffic laws and drive in a safe manner. All common safety precautions are to be observed by drivers while on Company business. The use of seat belts is mandatory for operators and passengers of vehicles used for Company business. Driving in a careless or illegal manner is cause for immediate dismissal. Driving under the influence will result in immediate termination.

Accidents/Incidents/Tickets

Report all accidents, incidents or tickets, immediately to a Supervisor and Human Resources department, regardless of location or time. If you are involved in an accident or vehicle incident (i.e. collision, property or personal injury) while on Company business or while operating a Company vehicle, you must obtain the names of all persons involved in the accident/incident and of all witnesses. You must also complete and submit a Vehicle Incident Report to the Human Recourse department within 24 hours. Not reporting an accident or incident may be grounds for immediate termination. Federal and state law requires that we keep records of all illnesses and accidents which occur during the workday.

The California State Workers' Compensation Act also requires that you report any illness or injury on the job, no matter how slight. If you hurt yourself or become ill, please contact your supervisor for assistance. If you fail to report an injury, you may jeopardize your right to collect workers' compensation payments as well as health benefits. Federal and state law also provides for your right to know about any health

hazards, which might be present on the job. If you have any questions or concerns, contact the Company Safety Officer or your supervisor for more information.

All employees are personally responsible for any parking tickets, fines, or moving violations incurred while driving a company or personal vehicle for Company business.

Use of Personal Vehicles

If you use your personal car on Company business, you will be reimbursed for its use. Travel from home to work or from work to your home is not considered Company business and is not eligible for mileage reimbursement. Mileage reimbursement forms must be approved by your manager.

Use of Company Vehicles or Equipment

Employees must be trained and authorized in writing to use specific Company vehicles or equipment. Any employee using a vehicle or equipment that is damaged will be held responsible for the cost of the repair and the cost of collateral damage. Unauthorized use of Company vehicles or equipment will be grounds for immediate termination. Any Company property issued to you, such as product samples, tools, or uniforms, must be returned to the Company at the time of your dismissal or resignation, or whenever requested by your manager or a member of management. You are responsible to pay for any lost or damaged items.

4 STANDARDS OF CONDUCT

4.1 General Guidelines

All employees are required to become familiar with The Company's rules and standards of conduct and are expected to follow these in doing their own jobs and conducting the company's business.

4.2 Attendance and Punctuality

The Company expects employees to be ready to work at the beginning of assigned shift. Employees may be disciplined for failing to notify their supervisor in advance of absences or tardiness. If you are unable to work, or if you will arrive late, you must contact your supervisor immediately. If you are aware in advance that you will be absent or tardy, you are required to request time off from your supervisor. Notifying the receptionist or a fellow employee regarding your absence or tardiness is not allowed. Absence from work for two (2) consecutive days without notifying your supervisor will be considered a voluntary resignation.

4.3 Work Schedule

Unless otherwise specified, regular full-time employees are expected to work at least forty (40) hours per workweek. Schedules may vary depending on location. Individual work schedules may vary depending upon work assignments and The

Company's staffing needs. Occasionally, business conditions may require that these hours be extended or shortened. Employees will be notified as far in advance as possible about required schedule changes. The Company cannot guarantee any number of work hours per week for an employee.

4.4 Meal & Rest Periods

Employees are expected to take their full allotted time for meal and break periods and may not perform any work during these periods. Repeated failure to take meal and/or rest periods can be grounds for discipline.

Mandatory Meal Period

Employee meal periods are important to company productivity and employee health. Employees who are scheduled to work more than five hours will be provided a meal period of 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employee and the Company. A second meal period of at least 30 minutes is also required if an employee works more than ten hours per day, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employee and the Company only if the first meal period was not waived. **Employees who wish to waive any meal period must complete and submit a Meal Period Waiver Agreement form to management.**

Non-exempt employees may not eat their meals while "still on the clock" and they should take their meals away from their work area. Non-exempt employees must take all their meal periods and may not skip a meal period to arrive late, to leave early, or to work extra time, without prior approval from a manager or supervisor. Employees may leave company property during meal periods. The meal period will not be included in the total hours of work per day and is not compensable.

If you did not take a meal break during your shift, immediately inform your supervisor

Rest Break

Employee rest breaks are earned in accordance with the number of hours the employee worked on a daily basis in accordance to the following schedule:

<u>Hours Worked</u>	<u>Number of Breaks</u>
0.00 hours to 3.49 hours	No Rest Break
3.50 hours to 5.99 hours	One Ten-Minute Rest Break
6.00 hours to 9.99 hours	Two Ten-Minute Rest Breaks
10.00 hours to 13.99 hours	Three Ten-Minute Rest Breaks
14.00 hours to 17.99 hours	Four Ten-Minute Rest Breaks

Employees on rest breaks are not required to clock in and clock out because this time is considered “time worked” and is compensable. Rest breaks are not scheduled by the Company, so employees are free to take their rest breaks at any time during their work day. However, employees may not add rest breaks to their meal breaks to extend their time or use rest breaks to arrive late, to leave early, or to work extra time.

Lactation Accommodation

An employee desiring to express breast milk for her infant child should do so during her regularly scheduled break time; if this is not possible, the employee will be provided with additional unpaid break time for the sole purpose of expressing milk. If you are provided with additional break time, your time card must reflect this time.

If you desire a lactation accommodation, please notify the Human Resources Department and every reasonable effort will be made to provide you with the use of a room or other location, other than a toilet stall, in close proximity to your work area, for you to express milk in private.

4.5 Harassment Policy

California’s Fair Employment and Housing Act (“FEHA”) prohibits coworkers, third parties, supervisors and managers from engaging in discriminatory, harassing or retaliatory conduct. The Company is committed to creating a respectful, courteous work environment free of unlawful discrimination and harassment of any kind, and to taking all reasonable steps to prevent it and address it. Employees are encouraged to report any incidents of harassment, including verbal, physical and visual harassment, whether witnessed or experienced, immediately to their supervisor, any other supervisor, or to Human Resources. Employees who violate this policy will be subject to appropriate disciplinary action, up to and including immediate termination.

What Are the Protected Categories?

In accordance with California’s Fair Employment and Housing Act (“FEHA”), the Company prohibits harassment and discrimination because of age, race, ancestry, color, national origin, sex (including pregnancy, childbirth, breastfeeding or medical condition related to pregnancy or childbirth), gender, gender identity, gender expression, sexual orientation, religious creed (including religious dress and grooming practices), physical or mental disability, medical condition, genetic information, denial of medical and family care leave, marital status, military and veteran status, or any other characteristic protected by federal, state or local law.

The Company also prohibits harassment and discrimination against victims of domestic violence, sexual assault and/or stalking, as set forth in detail further below.

What is Sexual Harassment?

The Company has developed its sexual harassment policy to ensure that all its employees can work in an environment free from sexual harassment and discrimination. The Company will make every effort to ensure that all its personnel are familiar with the policy and know that any complaint received will be thoroughly investigated and appropriately resolved.

Sexual harassment occurs when submission to or rejection of unwelcome sexual conduct by an individual is used as a basis for employment decisions affecting that individual. Unlawful conduct includes threats and demands to submit to sexual requests as a condition of continued employment or offers of benefits in return for sexual favors.

Sexual harassment also occurs when unwelcome sexual conduct unreasonably interferes with an individual's job performance or creates an intimidating, hostile or offensive working environment, even if it does not lead to tangible or economic job consequences.

Sexual harassment includes verbal harassment, physical harassment, visual harassment and unwanted sexual advances. It can include, for example, unwanted touching, leering, sexual gestures, a display of sexually suggestive objects or images, sexually explicit or offensive jokes, stories, cartoons, nicknames, slurs, epithets, and other communications of a sexual nature. Sexual harassment can also occur in the context of a relationship that was once consensual but has changed so that the behavior is no longer welcome by one party. It also includes retaliation for having reported acts of harassment. Sexual harassment includes harassment of women by men, men by women, and gender-based harassment of individuals of the same sex as the harasser.

The Company encourages individuals who believe they are being harassed to firmly and promptly notify the offender that his or her behavior is unwelcome. The Company also recognizes that power and status disparities between an alleged harasser and a target may make such a confrontation impossible. In the event that such informal, direct communication between individuals is either ineffective or impossible, the steps listed further below should be followed in reporting a complaint.

Forms of Harassment

Harassment may take many forms, including:

- **Verbal.** Epithets; derogatory comments, slurs, or name-calling; inappropriate jokes, emails or any other form of written communication, comments, noises, or remarks; repeated requests for dates, threats, propositions, unwelcome and unwanted correspondence, phone calls, and gifts; or other unwelcome attention.

- **Physical.** Assault; impeding or blocking movement; physical interference with normal work or movement; unwanted and unwarranted physical contact, such as touching, pinching, patting, grabbing, brushing against, or poking another employee's body.
- **Visual.** Inappropriate images (whether in photographs, posters, cartoons, drawings, paintings or other forms of imagery); displaying inappropriate images, writings or objects;

staring at or directing attention to an employee's anatomy; leering; sexually oriented or suggestive gestures.
- **Cyberstalking.** Harassment using electronic communication, such as e-mail or instant messaging (IM), or messages posted to a website, blog, or discussion group.

These kinds of behavior can occur in one-on-one interactions or in group settings and can involve a co-worker, manager, vendor, customer, visitor, or agent of the company. It is impossible to specify every action or all words that could be interpreted as harassment. The examples listed above are not meant to be a complete list of objectionable behavior. Make a point of paying attention to others' reactions and stated requests and preferences, respecting their wishes, and treating them in a professional manner, regardless of gender, race, religion, nationality, age, sexual orientation, sexual identity or expression, or other protected characteristic.

Harassment Complaint Procedure:

- **Notify Someone:** Individuals who believe that they have been subjected to job-related harassment should immediately report the incident in writing to Human Resources, or, if the individual prefers, to a supervisor or manager (if the report were to be made to a person other than Human Resources, that person shall pass the report to Human Resources). At all times, a team member should feel free to go to the Chief Executive Officer for any complaint or grievance.
- **Keep a Record of the Harassment & Provide a Written Description:** An accurate record of the objectionable behavior or misconduct is needed to resolve a formal complaint of harassment and discrimination. Individuals who provide verbal reports of harassment and discrimination will be asked to reduce their complaint in writing and sign such complaint. Individuals who believe they have been or currently are being harassed and/or discriminated against should maintain a record of the objectionable conduct(s) in order to effectively prepare and corroborate their allegations.
- **Investigation:** Upon receipt of the complaint in writing, the Company shall promptly undertake to conduct an investigation concerning the allegations of the complaint. Following the investigation of the complaint, the Company will weigh the facts and decide on the validity of the complaint. The Company will endeavor to investigate complaints of harassment and/or discrimination as

confidentially and discreetly as possible and resolve the complaints to the best of its ability. In pursuit of the investigation, the investigator will try to take the wishes of the complainant under consideration but will thoroughly investigate the matter as he/she sees fit, keeping the complainant informed as to the status of the investigation.

- **Resolution of the Complaint:** Upon completing the investigation of a harassment and/or discrimination complaint, the Company will communicate its findings and intended actions to the complainant and alleged harasser.

If the complaint is determined to be valid, the offender will face immediate and appropriate disciplinary action based on the severity of the incident. Disciplinary action may include, but is not limited to, warnings, suspensions, demotion, or discharge.

If the complaint is determined to be invalid and that no harassment or discrimination has occurred, or inconclusive of any discrimination or sexual harassment, this finding will be communicated to the complainant and alleged harasser in an appropriate manner.

- Appropriate steps will be undertaken by the Company, where possible and practicable, to prevent additional possible discrimination/sexual harassment including, but not limited to, a written warning, separating the individuals involved, or any other appropriate action.
- **Protection against Retaliation:** The Company will not in any way retaliate against an individual who makes a report of harassment, sexual harassment and/or discrimination or permit any team member to do so. Retaliation is a serious violation of this policy and should be reported immediately. Any person found to have retaliated against another individual for reporting any type of harassment and/or discrimination will be subject to the same disciplinary action provided for offenders.
- **Department of Fair Housing & Employment:** Employees or job applicants who believe that they have been sexually harassed also have the option to file a complaint of discrimination with the Department of Fair Housing and Employment (DFEH) within one year of the harassment. DFEH serves as a neutral fact-finder and attempts to help the parties voluntarily resolve their disputes. If DFEH finds sufficient evidence to establish that discrimination occurred and settlement efforts fail, the Department may file a formal accusation. The accusation will lead to either a public hearing before the Fair Employment and Housing Commission or a lawsuit filed by DFEH on behalf of the complaining party. If the Commission finds that discrimination has occurred, it can order remedies including: Fines or damages for emotional distress from each employer or person found to have violated the law; hiring or reinstatement; back pay or promotion; and changes in the policies or practices of the involved employer. Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed with the DFEH and a Right-to-Sue Notice has been issued. For more information,

contact DFEH toll free at (800) 884-1684 or visit their website at www.dfeh.ca.gov.

4.6 Protections for Victims of Domestic Violence, Sexual Assault and/or Stalking

California law prohibits employers from discharging or in any manner discriminating or retaliating against an employee who is a victim of domestic violence, sexual assault, and/or stalking, for taking time off from work to obtain or attempt to obtain relief (including but not limited to a temporary restraining order, restraining order, or other injunctive relief) to help ensure his or her health, safety, or welfare, or that of his or her child/children.

Moreover, employers shall not discharge or in any manner discriminate or retaliate against an employee who is a victim of domestic violence, sexual assault, and/or stalking, if the victim provides notice to the employer of the status or the employer has actual knowledge of the status.

In compliance with California law, the Company shall provide reasonable accommodations for a victim of domestic violence, sexual assault, and/or stalking who requests an accommodation for the safety of the victim while at work. Reasonable accommodations may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, or stalking that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, or stalking, or referral to a victim assistance organization. However, the Company is not required to provide a reasonable accommodation to an employee who has not disclosed his or her status as a victim of domestic violence, sexual assault, or stalking.

Pursuant to California law, the Company shall engage in a timely, good faith, and interactive process with the employee to determine effective reasonable accommodations and will consider an exigent circumstance or danger facing the employee. Notwithstanding, the Company is not required to undertake an action that constitutes an undue hardship on its business operations, as defined by Section 12926 of the Government Code. An undue hardship also includes an action that would violate an employer's duty to furnish and maintain a place of employment that is safe and healthful for all employees as required by Section 6400 of the Labor Code.

Upon the request of the Company, an employee requesting a reasonable accommodation shall provide the Company a written statement signed by the employee or an individual acting on the employee's behalf, certifying that the accommodation is for a purpose listed above.

Pursuant to California law, the Company may also request certification from an employee requesting an accommodation demonstrating the employee's status as a victim of domestic violence, sexual assault, or stalking, and may request recertification of the employee's status every six months. (Certification shall include:

a police report indicating the employee was a victim of domestic violence, sexual assault, or stalking; or a court order protecting or separating the employee from the perpetrator of an act of domestic violence, sexual assault, or stalking, or other evidence from the court or prosecuting attorney that the employee has appeared in court; or documentation from a licensed medical professional, domestic violence counselor, sexual assault counselor, licensed health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence, sexual assault, or stalking.) Any verbal or written statement, police or court record, or other documentation provided to the Company identifying an employee as a victim of domestic violence, sexual assault, or stalking shall be maintained as confidential and will not be disclosed by the Company except as required by federal or state law or as necessary to protect the employee's safety in the workplace. The employee shall be given notice before any authorized disclosure.

Employers with More Than 25 Employees

In addition to the foregoing, employers with more than 25 employees shall not discharge, or in any manner discriminate or retaliate against, an employee who is a victim of domestic violence, sexual assault, or stalking for taking time off from work for any of the following purposes: (1) to seek medical attention for injuries caused by domestic violence, sexual assault or stalking; (2) to obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking; (3) to obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; (4) to participate in safety planning and take other action to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

As a condition of taking time off for any of those purposes, the employee shall give the employer reasonable advance notice of the employee's intention to take time off, unless advance notice is not feasible. In that case, no action will be taken against an employee if the employee provides a certification to the employer within a reasonable time after the absence. (Certification includes: a police report indicating the employee was a victim of domestic violence, sexual assault, or stalking; or a court order protecting or separating the employee from the perpetrator of an act of domestic violence, sexual assault, or stalking, or other evidence from the court or prosecuting attorney that the employee has appeared in court; or documentation from a licensed medical professional, domestic violence counselor, sexual assault counselor, licensed health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence, sexual assault, or stalking.)

An employee who is discharged, threatened with discharge, demoted, suspended, or in any manner discriminated or retaliated against by his or her employer because the employee has taken time off for those purposes is entitled to reinstatement and reimbursement for lost wages and work benefits, and equitable relief. He or she may also file a complaint with the Division of Labor Standards Enforcement of the Department of Industrial Relations, within one year from the date of the occurrence of the violation. Further, an employee may use vacation, personal leave, or other

paid time off that is available to the employee under applicable terms of employment, unless otherwise provided by a collective bargaining agreement, for time taken off for the above listed purposes; however, an employee is not entitled to take an unpaid leave that exceeds the leave time permitted by the federal Family and Medical Leave Act (FMLA).

4.7 Violence in the Workplace

The Company strictly prohibits all acts of violence on its premises or by its employees, vendors, visitors, etc. Thus, The Company has adopted the following guidelines to deal with intimidation, harassment or any other threats of violence that may occur on The Company's premises.

- You should treat all other employees and any visitors or other non-employees with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or any other conduct that may be dangerous to others.
- You should not engage in any conduct that threatens, intimidates, or coerces a vendor, visitor, other member of the public or another employee, at any time. This prohibition includes all acts of harassment and bullying.
- All employees are prohibited from bringing firearms, weapons, or other dangerous or hazardous devices or substances onto the Company's premises or any job site.
- You should report, as soon as possible, all threats of violence, both direct and indirect, to your Supervisor or the Human Resources Department. This includes threats by employees, as well as by non-employees. In making this report, you should be as specific and as detailed as possible.
- The Company will promptly and thoroughly investigate all reports of threats of violence and of suspicious individuals or activities. We will protect, as much as is practicable, the identity of the employee(s) making the report. In order to maintain work place safety and the integrity of the investigation, the Company may suspend employees, either with or without pay, pending investigation.
- If the investigation determines that an employee is responsible for threats of violence or any other conduct that is in violation of these guidelines, the Company will take prompt disciplinary action, up to and including termination, against the responsible individual.
- Employees should bring their disputes or differences with other employees to the attention of their Supervisor or the Human Resources Department *before* the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes and will not discipline any employee for raising a concern in good faith.

- If you become aware of an imminent act of violence, a threat of imminent violence, or actual violence, immediately seek emergency assistance. In such situations, you should contact your Supervisor (or another company supervisor if your Supervisor is not immediately available), and, when appropriate, contact the law enforcement authorities by dialing 911.

4.8 Nondisclosure of Confidential/Proprietary Information and Trade Secrets

During the course of your employment, you may have access to, learn of or come into the possession of trade secrets or proprietary or confidential information that belong to the Company or the Company's customers, or others. Such information may include, but is not limited to, customer and vendor information, financial information, client contact information, pricing information, business plans, strategies, budgets, projections, forecasts, operating information, business contracts, databases, employee information, compensation data, advertising and marketing plans, proposals, training materials and methods, and other information not available to the public.

Employees who have access to such information may be required to sign an agreement concerning the confidential and or proprietary nature of the information, as a condition of employment. All such information is strictly confidential and may not be disclosed to anyone outside of the Company, including disclosure to family members, or any ex-employee or employee who is not entitled to this information, without the written consent of one of the principals of the Company. This obligation to safeguard information exists both *during* employment and *after* employment ends. If you have any doubt that information is confidential, all such doubt should be resolved by treating the information as confidential. Any questions regarding the confidentiality or non-confidentiality of information should be directed to the Human Resources Department.

All writings that contain confidential information that are prepared by you, or otherwise come into your possession during your employment, are and will remain the property of the Company. When requested by the Company or when you leave the Company, you must immediately return all writings and other tangible things that are in your possession or control, including any copies. This includes any electronic information or data that you may have in your possession or control.

All employees shall protect the Company's confidential or proprietary information against improper use and access and shall not use any confidential or proprietary information outside of the context of the employee's official Company duties. Employees shall *not* remove the Company's records or documents from the premises or use such documents or information for personal gain or benefit. Moreover, employees may not use any confidential, proprietary or trade secret information learned from any prior employment, at the Company.

If you violate the Company's confidential information policy, you will be subject to discipline, up to and including immediate termination.

Unauthorized Use of Confidential/Proprietary Information or Trade Secrets to Solicit Others

The Company strictly prohibits the unauthorized use of its confidential information and/or trade secrets to solicit employees, customers/clients, or any other person for any purpose whatsoever.

For example, unless you are conducting business on behalf of and while employed by the Company:

- You may not use the company's sales pitches, strategies, business model and/or pricing contracts to solicit a customer/client. (This applies to *any* potential customers/clients, regardless of whether or not the Company does business with them).
- You may not use your knowledge of the Company's compensation package and pay structure to solicit an existing employee of the Company to leave the company and work elsewhere.
- You may not use the Company's confidential client contact information to solicit new business for yourself and/or another company.

The foregoing are only examples and do not cover all possible scenarios. The bottom line is that you are prohibited from using the Company's confidential and proprietary information, including any trade secrets you may have learned while employed by the Company. The Company will not tolerate violations of this policy and will pursue all remedies as permitted to the fullest extent under the law.

4.9 Ethical Standards

The Company insists on the highest ethical standards in conducting its business. Doing the right thing and acting with integrity are the two driving forces behind the Company's great success story. When faced with ethical issues, employees are expected to make the right professional decision consistent with the Company's principles and standards.

4.10 Dress Code

Employees of the Company are expected to present a neat, clean and professional appearance while conducting business, in or outside of the office. Dressing in a fashion that is clearly unprofessional, that is deemed unsafe, or that negatively affects the Company's reputation or image is not acceptable. For personnel working on cars - Jeans/pants of a solid color, clean shirt of a solid color (or the Company shirt when possible) and non-slip shoes. Shop personnel are not permitted to wear jewelry. This is for your safety.

Otherwise, the standards for men and woman are as follows:

Men

A clean and well-cared-for appearance should be maintained. Clothing is inappropriate when it is sleeveless, revealing, or dirty in appearance.

Women

A clean and well-cared-for appearance should be maintained. Clothing is inappropriate when it is sleeveless, backless, revealing, or dirty in appearance. Dresses and skirts should be no shorter than two inches above the knee.

Inappropriately dressed employees (both men and women) will be sent home and are expected to return to work in proper attire. Such employees will not be compensated for the time away from work. If there is a dispute as to what constitutes proper business attire, the decision of the supervisor, or the CEO of the Company will be final.

4.11 Integrity of Business Practices

The Company relies on the ability and professionalism of its employees to communicate effectively the merits of the Company and expects its employees to use only legitimate business practices.

- All employees shall maintain a high level of integrity in business conduct and avoid any conduct that reasonably could be expected to reflect adversely upon the integrity of the Company or its employees.
- All employees shall demonstrate honesty, integrity and excellence in the performance of their duties.
- All employees shall perform their responsibilities in good faith, in a manner that is in the best interests of the Company, and with the care that a reasonable prudent person in the same position would use under similar circumstances.
- All employees shall avoid all illegal conduct and shall avoid all efforts to circumvent the law by devious means or questionable interpretations.
- All employees shall immediately report to the Human Resources Department *any* transaction that may violate any law, rule, regulation, or policy of the Company.

4.12 Loss Prevention

The protection of the Company's assets is everyone's responsibility. Losses caused by theft of merchandise, parts, and money dramatically decrease profits. Errors in pricing, inaccurate stock counts, unauthorized discounts, mistakes in record keeping, and damaged inventory or equipment due to negligence are also very costly. These losses hurt the entire company in the ability to provide our customers with fair pricing

and the ability to provide our employees with competitive compensation. Notify your supervisor immediately of any security violation, missing inventory, or suspected theft.

Inspection and Monitoring Policy

In order to prevent losses to the Company, its customers, and employees, the Company reserves the right to inspect all vehicles, lockers, purses, bags, briefcases, packages and pockets located on the worksite and/or the Company's property. Written permission from your manager/supervisor is required prior to the removal of Company property from the premises. Further, employees are not to move, remove and or search through items located in vehicles. Such behavior is prohibited and serves as grounds for immediate termination.

The Company also reserves the right to implement security surveillance in order to promote safety on the job and to minimize loss, including the installation of cameras in and around vehicles and throughout the premises, including but not limited to hallways, work areas, break rooms and around the perimeter of Company premises.

4.13 Use of Computer, Phone, and Email

To the extent that the Company provides e-mail, voicemail, internet and computer network systems ("systems") to assist you in performing your job, you should use them only for official business. You may not use these systems for personal reasons, for soliciting or proselytizing others for commercial ventures, religious or personal causes, outside organizations or other similar, non-job-related solicitations

Access and Monitor of E-Mail, Voicemail, Internet and Computer Network Systems

E-mail, voicemail, internet and computer network systems ("systems") have been or may be installed by the Company to facilitate business communications. To the extent that e-mail and voicemail messages are utilized, such systems are the Company's records, and not the personal communications of any employee. Even if an employee has or will have an individual password to access each system, these systems belong to the Company. The contents of the systems are accessible at all times by the Company. These systems should be treated like other shared filing systems.

The Company reserves the right to access and disclose as necessary all messages sent over its systems, without regard to content, without your permission. Therefore, you should *not* assume that messages are confidential. Back-up copies of e-mail may be maintained and referenced for business and legal reasons. Since the Company can access the contents of e-mail and voicemail without prior notice to you and can monitor your use of internet and computer network systems, you should not use any of the systems to transmit any messages you would not want disclosed to a third party. For example, you should not use it for gossip (including personal information about yourself or others); for forwarding messages under circumstances likely to embarrass the sender or to violate the sender's expressed desire to restrict

additional dissemination; or for emotional responses to business correspondence or work situations.

Forbidden Content of E-Mail, Internet, Voicemail and Computer Network Systems

Employees may not use any e-mail, internet, voicemail or computer network systems of the Company in any way that may be seen as insulting, defamatory, obscene, harassing, disruptive, or offensive by other persons, or as harmful to morale. Examples of forbidden transmissions include sexually-explicit messages; unwelcome propositions; ethnic or racial slurs; or any other message that can be construed to be harassment or disparagement of others based on any characteristic protected by federal, state, or local law, ordinance or regulation.

Password Security

All system passwords must be available to management, and employees may not use passwords that are unknown to the Company. All system personnel changes or document passwords must be communicated to the Human Resources Department in writing within one (1) work day.

Employees are prohibited from the unauthorized use of the password(s) of other employees to gain access to another employee's messages in the e-mail, voicemail or computer network systems. Improper use of the Company systems may result in discipline, up to and including termination.

4.14 Smoking Policy

It is the policy of the Company to prohibit smoking on all company premises in order to provide and maintain a safe and healthy work environment for all employees. California law defines smoking to mean "inhaling, exhaling, burning, or carrying any lighted or heated cigar, cigarette, or pipe, or any other lighted or heated tobacco or plant product intended for inhalation, whether natural or synthetic, in any manner or in any form." Further, "smoking" includes the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form, or the use of any oral smoking device for the purpose of circumventing the prohibition of smoking." To be clear, smoking includes the use of cigarettes, e-cigarettes, vaping devices and marijuana.

The smoke-free workplace policy applies to:

- All areas of company buildings and off-site work locations.
- All company-sponsored off-site conferences and meetings.
- All vehicles owned or leased by the company.
- All visitors (customers and vendors) to the company premises.

- All contractors and consultants and/or their employees working on the company premises.
- All employees, temporary employees and student interns.

Smoking cigarettes is permitted in parking lots only and must be more than 20 feet away from any main exits, entrances, or building windows.

Employees who violate the smoking policy will be subject to disciplinary action up to and including immediate discharge.

4.15 Alcohol and Substance Abuse Policy

It is the policy of the Company that the workplace be free of illicit drugs and alcoholic beverages, and free of their use. In addition to damage to respiratory and immune systems, malnutrition, seizures, loss of brain function, liver damage, and kidney damage, the abuse of drugs and alcohol has been proven to impair the coordination, reaction time, emotional stability, and judgment of the user. This could have tragic consequences where demanding or stressful work situations call for quick and sound decisions to be made.

The Company is required by law to provide a safe and healthy work environment for you and all other employees. Further, the Company has a vital interest in providing the best possible services and in maintaining and improving its public image. Alcohol and substance abuse by employees are incompatible with these objectives. Employees who are under the influence of a drug or alcohol on the job compromise the Company's interests, endanger their own health and safety and the health and safety of others, and can cause a number of other work-related problems, including absenteeism and tardiness, substandard job performance, increased workloads for co-workers, behavior that disrupts other employees, delays in completion of jobs, inferior quality of service, and disruption of customer relations.

To further our interest in avoiding accidents, to promote and maintain safe and efficient working conditions for our employees, and to protect our business, property, equipment, operations and professional image, the Company has adopted the following rules about the use, possession and sale of drugs and alcohol by its employees.

Each employee must abide by these rules. A violation of these rules, including any of the prohibitions below, may result in discipline, up to and including immediate termination. Compliance with the rules listed therein does not preclude an employee from being subjected to drug and alcohol testing. Any questions or doubts arising under or about any aspect of this policy must be referred to the Human Resources Department.

“On the Job”

An employee is considered “on the job” or “on Company premises” whenever the employee is:

- On Company property, including parking lots, at any time; or
- On Company time, even if off Company premises (including any paid meal and rest periods)

Safeguards

The Company’s policy is intended to comply with all state and federal laws governing drug and alcohol testing and is designed to safeguard employee privacy rights to the fullest extent of the law.

Your Responsibility

All employees are encouraged to come forward with any information regarding the use of alcohol, drugs, or any other mind-altering substance on the job. It is the responsibility of all supervisors and employees to ensure that this policy is enforced.

Alcohol

The Company expects its employees to remain responsible, professional, and sober at *all* times. Employees may not possess, consume, sell, attempt to sell, distribute or be under the influence of alcohol while on the job, on Company premises or when representing the Company off-site. Additionally, employees may not work, report to work, be present on Company premises, operate the Company vehicles or equipment, operate their own vehicles or equipment for purposes of the Company business, or engage in the Company business while under the influence of alcohol. If an employee is found to be under the influence of alcohol, during work time, the employee will be sent home without pay and discipline measures or termination procedures will be ensued.

Controlled Substances

Possessing, using, being under the influence of, having a forensically detectable level of (i.e., testing positive), selling, attempting to sell, purchasing, attempting to purchase, distributing, manufacturing, or dispensing or attempting to distribute, manufacture or dispense a controlled substance while on Company time or property, are all strictly prohibited. “Controlled substances” and “drugs” for the purposes of this policy include, but are not limited to, marijuana, cocaine, opiates, amphetamines and phencyclidine and any other substance listed on any applicable federal, state or local schedule of controlled substances. They also include prescription of over-the-counter medications that can affect job performance. Additionally, employees may not work, report to work, be present on Company premises, operate Company vehicles or equipment, operate their own vehicles or equipment for purposes of Company business, or engage in Company business while under the influence of a

controlled substance as defined above. If an employee is found to be under the influence of drugs, during work time, the employee will be sent home without pay and discipline measures or termination procedures will be ensued.

Prescription & Over-the-Counter Drugs

When an employee's physician prescribes the use of prescription or over-the-counter drugs, or when an employee otherwise uses over-the-counter drugs that bear warnings about or are known by the employee to cause side effects, the employee is required to ascertain whether such drugs may adversely affect his or her ability to safely and efficiently perform assigned duties.

If you know or if your physician determines that the prescription or over-the-counter drugs may adversely affect your ability to safely and efficiently perform assigned duties, you are required, before commencing work, to advise your immediate Supervisor about the medication and possible side effects. If there is a question concerning your ability to perform assigned duties safely and efficiently, you may be:

- assigned to other duties, if, in the sole discretion of the Company, such duties are appropriate and available, or
- sent home on paid time off, if you have any available, or
- placed on unpaid leave if you have no paid time off available.

Using or being under the influence of prescription or over-the-counter medications is prohibited where such use may affect the employee's ability to safely and efficiently perform work duties. Using a prescription or over-the-counter medication is permitted:

- in strict accordance with a physician's direction;
- when such use will not affect the employee's ability to safely and efficiently perform his or her job; and
- when the employee's Supervisor has been notified and has approved the employee working under the circumstances.

Required Testing

In general, the company retains the right to require the following tests:

- **Pre-employment:** All applicants must pass a drug test before beginning work, as a condition of employment. Refusal to submit to testing will result in disqualification of further employment consideration.
- **Reasonable suspicion:** Employees are subject to testing based on observations by a supervisor that causes the supervisor to reasonably believe an employee is under the influence of drugs or alcohol. Such observations

may include observations concerning an employee's appearance, behavior, speech and smell. Human Resources must be consulted before sending an employee for reasonable suspicion testing.

- **Post-accident:** Employees are subject to testing when they cause or contribute to accidents that seriously damage a company vehicle, machinery, equipment or property and/or result in an injury to themselves or another person. In any of these instances, the investigation and subsequent testing must take place immediately but no later than within two (2) hours following the accident.
- **Random Drug Testing:** Employees who hold certain safety-sensitive positions covered by U.S. Department of Transportation (DOT) drug and alcohol testing regulations will be subject to random drug testing as set forth by the DOT. Employees who are uncertain if they are covered by these regulations can find more information here: <https://www.transportation.gov/odapc/am-i-covered>. Further information and literature on DOT regulations can be found at the following website: <http://www.dot.gov/odapc/employee>.
- **Follow-up:** Employees who have tested positive, or otherwise violated this policy, are subject to discipline up to and including discharge. Depending on the circumstances and the employee's work history/record, the Company may offer an employee who violates this policy or tests positive the opportunity to return to work on a last-chance basis pursuant to mutually agreeable terms, which could include follow-up drug testing to the extent permitted by law, at times and frequencies for a minimum of one (1) year but not more than two (2) years. If the employee either does not complete his/her rehabilitation program or tests positive after completing the rehabilitation program, he/she will be subject to immediate discharge from employment.
- **Note re Proposition 64, the Adult Use of Marijuana Act:** Notwithstanding California's enactment of Proposition 64, the Company reserves its rights under the law to refuse to hire applicants who test positive for marijuana use, and to terminate employees who likewise test positive for marijuana use.

Consequences

Applicants who refuse to cooperate in a drug test or who test positive will not be hired. Employees who refuse to cooperate in required tests or who use, possess, buy, sell, manufacture or dispense drugs in violation of this policy will be terminated.

Employees who test positive for alcohol or drug use under this policy will be immediately removed from any safety-sensitive position, and the result will be discipline up to and including discharge, unless the employee was using prescription or over-the-counter drugs in accordance with the guidelines set forth above regarding same.

Employees will be paid for time spent in alcohol/drug testing and then suspended pending the results of the drug/alcohol test. After the results of the test are received, a date and time will be scheduled to discuss the results of the test; this meeting will include a member of management and Human Resources. Should the results prove to be negative, the employee will receive back pay for the times/days of suspension.

Confidentiality

Information and records relating to positive test results, drug and alcohol dependencies and legitimate medical explanations provided to the medical review officer (MRO) shall be kept confidential to the extent required by law and maintained in secure files separate from normal personnel files.

Inspections

The Company reserves the right to inspect all portions of its premises and property, including but not limited to company vehicles, for drugs, alcohol or other contraband. All employees, contract employees and visitors may be asked to cooperate in inspections of their persons, work areas and property that might conceal a drug, alcohol or other contraband. Employees who possess such contraband or refuse to cooperate in such inspections are subject to appropriate discipline up to and including discharge.

Crimes Involving Drugs

The Company prohibits all employees from manufacturing, distributing, dispensing, possessing or using marijuana and illegal drugs in or on company premises or while conducting company business. Employees are also prohibited from misusing legally prescribed or over-the-counter (OTC) drugs. Law enforcement personnel shall be notified, as appropriate, when criminal activity is suspected.

Voluntary Admission of a Drug or Alcohol Problem

Consistent with our fair employment policy, the Company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts or alcoholics, those who are perceived as having a dependency, and those having a medical history reflecting treatment for this condition.

The Company encourages employees with drug or alcohol abuse problems to seek needed counseling and treatment. If you need an accommodation in order to obtain treatment for such a problem, you are encouraged to discuss the matter with the Human Resources Department. Any such communications initiated by the employee will be treated as confidentially as possible. Seeking assistance will not protect an employee from disciplinary action for violating this policy. In addition, requesting assistance for substance abuse does not relieve the employee of his or her responsibility to meet Company job performance, safety and attendance standards or to comply with all Company policies.

Employees who need time off from work for rehabilitation may be required to use paid sick leave or may take a personal leave of absence without pay.

4.16 Transfer Policy

The Company recognizes that a desire for career growth and other needs may lead an employee to request a transfer to another position. An employee with proper qualifications will be eligible for consideration for transfer to another department provided there is a need.

4.17 Outside Employment

The Company expects your best efforts and full loyalty in the performance of your job duties, whether you are a full-Time, part-Time, or temporary employee.

Employees who engage in outside employment must adhere to the Company's confidentiality provisions, and may not, under any circumstances, use or divulge the company's trade secrets for any outside employment purposes.

Employees should also refrain from performing any outside employment related work during company time, or on the company's premises. Employees shall not use the company's tools, equipment or services for any outside employment purposes.

Regardless of any outside work requirements, you will be subject to the Company's scheduling demands, and you will be judged by the same performance standards as Company employees who do not have outside employment. Outside employment will not be considered an excuse for poor job performance, absenteeism, tardiness, leaving early, refusal to travel or refusal to work.

Employees who have accepted outside employment may not use paid sick leave to work on the outside job. Fraudulent use of sick leave will result in disciplinary action up to and including termination.

If you intend to engage in outside employment, please submit to your Supervisor a written memo containing the name of the outside employer, the type of business, and your position so that the Company may advise you in writing of any possible conflict of interest.

Unauthorized Use of Company Assets/"Side Jobs"

Consistent with the foregoing, the Company enforces a "Zero Tolerance Policy" for the unauthorized use of company facilities, products, parts, inventory or any other asset belonging to the Company. This includes the labor and/or time of any employee who is "on the clock". In other words, employees are strictly prohibited from performing any "side jobs" while they are scheduled to be working for the Company.

The foregoing actions amount to stealing from the Company. Employees who are caught violating this policy or otherwise helping another employee carry out or cover up a side job, will be *terminated on the spot*. Second chances and/or warnings will *not* be afforded. This applies to all employees, regardless of classification, seniority, job title, personal issues or pay grade.

4.18 Discipline and Termination of Your Employment

Discipline Philosophy

The Company expects high quality work from its employees and expects that the conduct of its employees will be consistent with these standards. The Company will work with its employees to correct performance or behavior problems that may develop, but in some cases discipline may be necessary. The Company, therefore, has a simple, progressive, disciplinary action ladder. If you fail to meet guidelines set forth by the Company, a verbal warning may be issued. If a similar problem or incident occurs, a written counseling report may be issued. If a similar problem or incident occurs for a third time, employment may be terminated.

The Company is not required to give any warnings, whether verbal or written, prior to terminating an employee. The Company reserves the right to forego progressive discipline measures if the incident is deemed to be severe.

Every effort is made to impose discipline in a timely manner. At times, however, the need to fully investigate an incident may require a delay in imposing discipline. The Company reserves the right to suspend employees, pending completion of the investigation and final action.

Rules of Conduct and Discipline

The type of discipline imposed, and whether any intermediate disciplinary steps will be taken or bypassed, is in the sole discretion of the Company and will be based on an assessment of all relevant factors. All discipline will be imposed in accordance with all applicable federal, state, and local laws.

The Company acknowledges that it is not possible to list every form of unacceptable conduct. The rules listed below forbid many types of unacceptable conduct. However, these are **not** the only work rules. Any conduct not listed in this Handbook that is contrary to the Company's interests is not allowed.

- Destroying or damaging, maliciously or willfully, Company property or supplies, or the property of an employee, customer, vendor or visitor.
- Stealing, or removing or using without permission, Company property or the property of an employee, customer, vendor or visitor.
- Lying or giving false or misleading information to obtain employment or employee benefits.

- Falsifying any employment documents or Company records, including your own, or a co-worker's, time records.
- Bringing or possessing firearms, knives, weapons, or other hazardous or dangerous devices or substances on Company premises.
- Possessing, using or selling alcoholic beverages or illegal drugs on Company premises, or reporting for duty under the influence of alcohol or illegal drugs, in violation of Company policy
- Being insubordinate, including engaging in improper conduct toward a Supervisor or refusing to follow directions, obey orders or perform tasks assigned in an appropriate manner by a Supervisor.
- Fighting or engaging in horseplay on Company premises, or any other action that is dangerous to others or to Company property, or that disrupts work.
- Harassing, threatening, intimidating or coercing a customer, vendor, visitor, or another employee.
- Committing a crime that indicates unfitness for the job or that raises a threat to the safety of the Company, its property, its employees, others, vendors, or visitors.
- Failing to return to work without proper notice or authorization immediately after an approved leave of absence.
- Failing to follow any established safety rule, failing to report unsafe working conditions, violating health and safety rules, or engaging in conduct that creates a health/safety hazard.
- Exhibiting excessive tardiness or absence from work, including taking too long for meal or break periods.
- Leaving your job during work hours without first notifying your Supervisor and obtaining your Supervisor's prior permission.
- Smoking in violation of the Company's no smoking policy.
- Using abusive or vulgar language.
- Working unauthorized overtime (for non-exempt employees).
- Doing your job carelessly or negligently.
- Using Company equipment or supplies for personal reasons without prior authorization.
- Sleeping while on duty.

- Displaying inappropriate appearance or grooming.
- Violating the Company's conflicting activities policy, confidential information policy or any other Company policy.

Termination or other discipline of an employee does not preclude the Company from taking or seeking civil or criminal action against the employee.

Nothing in this policy alters the at-will status of all employment with the Company. Since your employment at the Company is at-will, you or the Company may end the relationship, at any time, with or without reason, with or without advance notice.

The Company recognizes the following types of separation:

Voluntary Resignation

You are considered to have voluntarily ended your employment with the Company when you:

- resign,
- fail to report to work without notice to or approval of your Supervisor for two (2) consecutive scheduled work days, or
- fail to return as scheduled on the date specified at the end of a leave of absence.

Although the Company is an at-will employer, to assist the Company, you are asked to provide advance written notice of resignation (at least two (2) weeks), so the Company has sufficient time to hire a replacement. Your cooperation will be greatly appreciated.

Involuntary Termination

An involuntary termination is a separation initiated by the Company and may be with or without cause. Violation of the Company's rules and policies may warrant disciplinary action, up to and including termination. The Company has sole discretion to use any form of discipline that it determines to be appropriate under the circumstances.

Reduction In Force

Under some circumstances, the Company may need to restructure or reduce its work force. A reduction in the work force is any separation from work for non-disciplinary reasons, including but not limited to, lack of work, reorganization or other business-related needs. Such reductions may range from temporary reduction for a few days, up to a permanent reduction (cessation of employment). The Company makes every effort to avoid reductions in force by exercising care in projecting

staffing requirements and monitoring business schedules. However, due to the cyclical nature of our industry and other unavoidable circumstances, there are times when it is necessary to have layoffs. The positions and/or employees to be laid off will be selected in accordance with the Company's need and at the Company's sole discretion. Such decisions will not be based solely on seniority. Employee performance, ability, versatility, reliability and effort are all taken into consideration. In the event of a recall from layoff, the Company has the prerogative to determine which employees are to be recalled and in what order. Laid off employees will receive their final paycheck on the same day.

An employee who separates from the Company, whether voluntary or involuntary, may be requested to immediately leave the Company's premises when terminated.

4.19 Exit Interview

In a voluntary separation situation, Company management would like to conduct an exit interview to discuss the employee's reasons for leaving and any other impressions that the employee may have about the Company.

4.20 Responsible Use and Return of Company Property

The Company often issues its employees various forms of company property during the term of their employment. Employees are responsible for using such property in the manner intended and for reasonably maintaining it in the condition it was received. Any Company property issued to employees, including but not limited to laptops and other computer equipment, uniforms, cell phones, walkie talkies, keys, parking passes or company credit cards, must be returned to the Company at the time of termination. Employees will be responsible for any lost, damaged or unreturned items, and will be expected to reimburse the Company accordingly.

GPS tracking systems have been installed in Company vehicles. As with other company property, employees are responsible for using the GPS systems only in the manner intended and for reasonably maintaining them in the condition received. Employees are required to immediately report any problems or malfunctions with the GPS systems to the manager and/or supervisor. Employees are also responsible for ensuring that the GPS tracking systems are turned on at all times.

5 COMPENSATION POLICIES

5.1 Base Compensation

It is the Company's desire to pay all employee wages or salaries that are competitive with other employers in the marketplace and in a way that will be motivational, fair, and equitable. Compensation may vary based on roles and responsibilities, and in compliance with all applicable laws. Additional factors affecting your pay include merit, qualifications, the needs and resources of the company, market standards, and your overall performance and conduct. Prior salary, by itself, will not be considered in determining your level of compensation. Further, in accordance with California law, the Company provides equal pay to males, females, and persons of

different races and ethnicity, for substantially similar work when viewed as a composite of skill, effort, and responsibility, and performed under similar working conditions. We encourage you to consult your manager to address questions on specific pay policies.

5.2 Timekeeping Procedures

By law, the Company is obligated to keep accurate records of the time worked by employees. You are required to clock in when you begin working and to clock out when you are done working. A more thorough training on proper time clock procedures will be provided by your supervisor when you begin your employment with the Company.

5.3 Overtime Pay

Non-exempt employees who work more than eight hours in any workday or more than 40 hours in any workweek are eligible for overtime compensation. Non-exempt employees will be paid one and one-half times their regular rate of pay for all hours worked in excess of eight hours up to and including 12 hours in any workday, and for the first eight hours worked on the seventh consecutive day of work in a workweek. They will be paid double their regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight on the seventh consecutive day of work in a workweek.

Overtime must be approved in advance by the manager to whom the employee reports. Employees who anticipate the need for overtime to complete the week's work must notify the manager in advance and obtain approval before working hours that extend beyond their normal schedule. You may not check email, voice messages, or other company communication systems (including, via a computer or a handheld device) after hours if such activity would result in overtime and you have not received advance approval from your manager to perform such overtime work. During busy periods employees may be required to work extended hours.

Overtime should be recorded to the nearest quarter of an hour and should be recorded at the end of the day on which you actually worked the overtime. Only those hours that are actually worked are added together to determine overtime pay. Paid sick leave, for example, are not hours worked and therefore are not counted in making overtime calculations.

5.4 Payroll and Paydays

Federal and state laws regulate payment methods for non-exempt employees. Paychecks will be paid twice each calendar month, in accordance with the days designated by and as posted by the Company. Each paycheck will normally include all regular, overtime, holiday, and sick pay as applicable through the current pay period. Itemized deductions include Federal Tax withholdings, Social Security tax, any applicable State or local tax, and any voluntary deductions you may have authorized. If you are a non-exempt employee, please be sure to report all hours that you work on a daily basis, including time spent using a tablet, a cell phone, email

and the internet for business purposes. You must pick up your own paycheck. No one else will be allowed to pick up your paycheck without written authorization.

5.5 Performance Reviews

Performance reviews are an opportunity to ensure everyone's expectations agree, to reinforce lines of communication, and to set goals for further achievement. It's a good time to highlight your strengths, determine areas you may need to improve, and receive input on achieving career objectives. The evaluation of an employee's performance is an ongoing process. Your manager will let you know if and when you will receive a written performance review. The factors to be considered as part of the review generally include such areas as the quality and volume of work, ability to work with others, technical knowledge of your job, reliability, and other job-related aspects of your position. As part of the process, you may be asked to submit your own comments on your performance before preparing your review. A positive performance appraisal does not guarantee a pay raise, does not guarantee continued employment, and does not alter the at-will employment status of the employee.

6 BENEFITS

6.1 The Benefits in General

This section generally describes employee benefits provided by the Company as well as those provided by law. *Not all employees are eligible for all benefits.* The Company reserves the right, at its sole discretion, to rescind or amend benefits, to change insurance carriers or to require or change employee contributions toward premium costs, deductibles, or co-payments. The Company may make such changes at any time, for any reason. Affected employees will be notified of any such changes promptly.

6.2 Health Insurance

The Company will provide all employees with information concerning health insurance marketplace coverage options.

The Company also provides affordable health insurance to eligible employees as required under the Affordable Care Act. Eligible employees include all employees who work an average of at least 30 hours per week. Coverage begins no later than 90 days following the commencement of employment. Coverage begins with a 25% Employer contribution and goes up to 100% based on the employees job classification.

Insurance coverage for employees departing the Company will be canceled as of the last day of the last month in which the employee worked; however, the employee may continue coverage as provided by The Consolidated Omnibus Budget Reconciliation Act of 1986 ("COBRA") guidelines, in which case, the insurance premium shall be the employee's sole responsibility.

6.3 Paid Sick Leave (CA's Healthy Workplace Healthy Families Act of 2014)

Subject to specific exceptions, any employee who works for an employer for 30 or more days within a year from commencement of employment, is entitled to paid sick leave. Qualifying employees can begin using paid sick leave once they have worked for the employer for 90 days. The Company provides qualifying employees with a lump sum of 24 hours/3 days of paid sick leave per year. Unused sick leave will not be rolled over to the following year, and the Company does not pay employees for unused paid sick leave. However, the Company will provide with you with 24 hours/3 days of paid sick leave at the beginning of each 12-month period of your employment.

Paid sick leave may be used during an employee's own illness or for an illness in the employee's family. It may also be used if you are a victim of domestic violence, sexual assault or stalking. You are required to contact your manager or supervisor as soon as you know you need to use your paid sick leave.

Sick leave will be paid out at the employee's hourly wage. For non-exempt employees, the Company may calculate sick leave pay using the "weighted average" method. Alternatively, if, during the 90 days before using the sick leave, you were paid at different hourly rates, or by commission/piece rate, or were a nonexempt salaried employee, then rate of pay may be calculated by dividing total wages (not including premium overtime pay) by total hours worked in the full pay periods (during that 90-day period). Employees will be paid for their sick leave no later than the payday for the next regular payroll period after the sick leave was taken. Employees are not entitled to payout for unused sick leave upon separation from the Company.

6.4 Workers' Compensation Insurance

In accordance with California law, the Company carries workers' compensation insurance coverage for all employees in case of work-related injury or illness.

When an employee is injured while at work and needs medical care beyond first aid, the employee should be taken to the nearest Emergency Care Facility. In case of an injury, the first concern must be the employee's well-being. However, certain procedures must be followed in order to ensure that the injury details are recorded accurately.

To ensure that you receive any workers' compensation benefits to which you may be entitled, you will need to:

- Immediately report any work-related injury or illness, no matter how minor, to your supervisor. (Injuries should be reported within 24 hours.)
- Seek medical treatment and follow-up care, if required.
- Immediately complete an Employee Claim Form (DWC-1 Form) and return it to your supervisor; and

- Provide the Company with certification from your health care provider regarding the need for workers' compensation disability leave and a statement as to your ability to return to work from the leave.

When an accident or injury occurs at the Company *and* a reasonable suspicion exists that the incident occurred because the employees involved were under the influence of a controlled substance, drug, or alcohol at the time of the incident, the Company reserves the right to require the employees involved to submit to a drug-screen or alcohol test. The resulting information will be treated with strict confidentiality. The Company will be notified only if the results of the drug screen reveal illegal or controlled substances or a level of alcohol over the level which would indicate a level of impairment. In accordance with individual privacy rights, all medical conditions and medications taken for medical conditions will not be disclosed to the Company. Should an employee test positive for any illegal substance or drug, a second test will be performed from the same sample to confirm the original results. Refusing to submit to a drug or alcohol screen is a serious violation of the policy of the Company and will result in termination of employment.

An employee returning from a workers' compensation leave has no greater right to reinstatement than if the employee had been continuously employed, rather than on leave. The Company's obligations to an employee returning from a workers' compensation disability leave may include reasonable accommodation, as governed by the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act (FEHA), or other applicable legal provisions.

Workers Compensation is provided to cover employees for an **actual work-related** injury or illness. Neither the Company nor its insurance carrier shall be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in off-duty recreational, social or athletic activity sponsored by the Company. Any employee who files a fraudulent claim will be prosecuted to the fullest extent of the law.

6.5 Unemployment Insurance

If your employment terminates, you may be eligible to receive unemployment insurance. In most cases, you must file a claim with the California Employment Development Department ("EDD") in order to collect this benefit. Should such a situation arise, you should ask about unemployment insurance at the time of your separation from employment.

6.6 Social Security

Social Security is more than a paycheck deduction. It offers financial security for you and your dependents. As an employee of the Company, you are covered under the provisions of the federal social security law (FICA). The Company matches the amount of deduction from your wages for Social Security taxes. The total contribution by the Company and you will be credited toward your Social Security

benefits, which may be available at the time you are eligible to retire. In addition, disability and survivor benefits are financed through Social Security deductions.

6.7 State Disability Insurance

The State of California provides disability insurance to California workers under certain circumstances. Generally speaking, State Disability Insurance (SDI) is available only for a temporary non-work-related accident or illness. It is also available for some elective surgery and for pregnancy, childbirth and related medical conditions. Each year, a small percentage of your wages is deducted and paid to the state for this insurance. Benefits normally commence after seven (7) calendar days of disability. (Effective January 1, 2018, there will be no 7-day waiting period.) If you are eligible, the State of California will pay you a percentage of your regular earnings up to a maximum amount for a period prescribed by law.

If you are disabled, you should apply for disability insurance as soon as possible with the California Employment Development Department. Please provide us with written notice of disability, including a certificate from your health care provider, stating the nature of the disability and the expected date of your return to work, and what reasonable accommodations, if any, the health care provider suggests allowing you to safely perform all of the essential functions of your position upon your return to work. You are responsible for filing your claim and other forms promptly and accurately with the Employment Development Department. A claim form may be obtained from any office of the Employment Development Department.

6.8 California Family Rights Act (CFRA)

Employers who do business in California and employ 50 or more part-time or full-time employees are subject to the CFRA. To be eligible, an employee must have more than 12 months (52 weeks) of service with the employer, have worked at least 1,250 hours in the 12-month period before the date the leave begins, and work at a location in which the employer has at least 50 employees within 75 miles radius of the employee's work site. Generally, the CRFA provides that a covered employee may take an unpaid leave for the birth of a child for purposes of bonding, for placement of a child in the employee's family or adoption or foster care, for the serious health condition of the employee's child, parent, or spouse, and for the employee's own serious health condition.

6.9 Pregnancy Disability Leave

Employers who have five or more employees are required to provide up to four months of pregnancy disability leave. This leave is generally unpaid, but the Company may require you to use your paid sick leave, and you may also use any paid vacation leave. You may also be able to collect some payment through state disability insurance (SDI), but you will need to apply for this through the Employment Development Department at www.edd.ca.gov or by calling the EDD at 1-800-480-3287.

If you think you will need to take pregnancy disability leave, you should notify the Company as soon as possible. You will be guaranteed the same or similar position

upon returning back to work. You can find more information concerning your rights by reviewing the notice provided concurrently with this handbook, entitled “Your Rights and Obligations as A Pregnant Employee”, published by the Department of Fair Employment and Housing.

6.10 Family Medical Leave Act

Basic Leave Entitlement

The Family Medical Leave Act (FMLA) requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to eligible employees for the following reasons:

For incapacity due to pregnancy, prenatal medical care or child birth; to care for the employee’s child after birth, or placement for adoption or foster care; to care for the employee’s spouse, son, daughter or parent, who has a serious health condition; or for a serious health condition that makes the employee unable to perform the employee’s job.

Military Family Leave Entitlements

Eligible employees whose spouse, son, daughter or parent is on covered active duty or call to covered active duty status may use their 12-week leave entitlement to address certain qualifying exigencies. Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service-member during a single 12-month period. A covered service-member is: (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness*; or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for serious injury or illness.*

*The FMLA definitions of “serious injury or illness” for current service-members and veterans are distinct from the FMLA definition of “serious health condition”.

Benefits and Protections

During FMLA leave, the Company will maintain the employee’s health coverage under any “group health plan” on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment

terms. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Employees are eligible if they have worked for a covered employer for at least 12 months, have 1,250 hours of service in the previous 12 months*, and if at least 50 employees are employed by the employer within 75 miles.

*Special hours of service eligibility requirements apply to airline flight crew employees.

Definition of Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Use of Leave

An employee does not need to use this leave entitlement in one block. Leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the employer's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Substitution of Paid Leave for Unpaid Leave

Employees may choose, or the Company may require use of accrued paid leave while taking FMLA leave. In order to use paid leave for FMLA leave, employees must comply with the Company's normal paid leave policies.

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days notice is not possible, the employee must provide notice as soon as practicable and generally must comply with the Company's normal call-in procedures.

Employees must provide sufficient information for The Company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for

hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility. Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Unlawful Acts by Employers

FMLA makes it unlawful for any employer to:

- interfere with, restrain, or deny the exercise of any right provided under FMLA; and
- discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. FMLA does not affect any Federal or State law prohibiting discrimination or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

7 YOUR TIME-OFF FROM WORK

7.1 Vacation Program

The Company provides a Vacation program subject to the terms below. This summary describes the terms of the program in effect as of January 1, 2017. The vacation program is not a contract of employment or a guarantee of continued employment for any definite period of time.

Eligibility

The Company employees classified as Regular, Full-Time Employees and who have worked for the Company for at least one year, will earn and accrue vacation time as described below. In discussing vacation time herein, these employees may be described as "eligible employees". Temporary Employees, Part-Time Employees,

Regular Part-Time Employees and Introductory Employees are not eligible to earn vacation time.

Vacation Schedule

Vacation time is awarded to eligible employees as follows:

Completed Years of Service	Annual Vacation Time in Hours
0	No vacation
1-2	40 hours
3 or more	80 hours

How Vacation Time is Awarded

All employees earn vacation after completion of one year of service. This means that once employees have completed their first anniversary with the Company, they are entitled to take one week of paid vacation. This does not mean that employees earn or accrue 1/12th of one week's vacation accrual each month during their first year. Employees must complete one year of service with the Company to be entitled to one-week vacation.

Vacation time is awarded on a monthly basis. After one year of employment at the Company, eligible employees will be awarded vacation time at the rate of one-twelfth per month (e.g., 3.333 hours per month), through the end of their third year. After three years of employment, eligible employees will earn vacation time at the rate of 6.666 hours per month, up to a maximum of 80 hours at any given time.

For example, if an employee is hired on July 1, 2016 and complete the first year of employment on July 1, 2017, the employee will be awarded 3.333 hours of vacation time for the month of July 2017, followed by another 3.333 hours for August, and so forth. Beginning on July 1, 2019, the employee will begin earning 6.666 hours of vacation time per month. Once employees earn 80 hours of vacation time, the vacation time will be capped, and the employee must use some of the accrued vacation time in order to resume earning additional vacation time. In other words, unused vacation time may be carried over to the following calendar year, however such carryover will be capped at 80 hours. So long as the employee has less than 80 hours of vacation time available, they may continue to accrue vacation time.

Further, even if an employee has accrued more than 40 hours of vacation time, he or she may only use up to 40 hours at a time. For example, if the employee works five days a week, eight hours a day, and wants to use vacation time, the employee may only use up to one week's worth of vacation time (even if the employee has 80 hours, or two weeks, of unused vacation time available). The employee will still have the remaining 40 hours of vacation time available but will have to use it on another occasion.

Eligible employees may not use more vacation time than what they have been awarded without prior written approval by their supervisor.

Planning Your Vacation

Scheduling of vacation time is subject to your supervisor's approval. Discuss your vacation schedule with your supervisor as soon as possible to ensure your job responsibilities can be handled in your absence, and at least 30 days prior to the specified time.

Vacations are generally not allowed during the month of December nor in conjunction with a holiday. Any exceptions to this must be submitted in writing 60 days in advance to your supervisor.

After discussing the vacation schedule with the supervisor, confirm the request in writing. The written request should include:

- The name of employment;
- The date that the vacation request is submitted;
- The days that the employee wants to take vacation;
- How much vacation time the employee has accrued
- How much vacation time the employee wants to be paid out for; and
- Anything else that you think your supervisor should consider with respect to scheduling your vacation.

How You Will Get Paid When You Use Vacation Time

The pay for this time will be added to your paycheck in the pay period applicable to the time you take off. When you are on approved vacation time, your pay will only consist of your regular wages, excluding overtime, and excluding any special form of compensation.

What Happens to Vacation Time When Your Status Changes or You Leave

California law requires employers to pay its employees for any unused, earned and accrued vacation time at the time the employment relationship ends.

If you remain an employee of the Company but your employment classification status changes so that you are no longer eligible for vacation time, any awarded vacation time in excess of what you have already used will be paid to you.

In either event, if the vacation time used exceeds the time awarded, you will be required to pay back the unearned used time to the Company.

7.2 Paid Family Leave

Paid Family Leave is a component of the State Disability Insurance (SDI) program and workers covered by SDI are also covered for this benefit. The State of California provides up to six (6) weeks of partial wage replacement benefits in a twelve (12) month period for eligible employees who take leave to care for a seriously ill child, spouse, parent, domestic partner, grandparent, grandchild, sibling, or parent-in-law, or to bond with a new child. However, an employee is not eligible for benefits if he/she is receiving other unemployment or disability benefits and he/she is not eligible for benefits for any day that another family member is able and available to care for the ill or injured family member.

If you are eligible, the State of California will pay you a percentage of your regular earnings up to a maximum amount for a period prescribed by law. You are responsible for filing your claim and other forms promptly and accurately with the Employment Development Department.

If you take leave to care for a covered person with a serious health condition, you must provide medical certification that contains:

- a diagnosis and a diagnostic code, or where no diagnosis has yet been obtained, a detailed statement of the symptoms;
- the date, if known, on which the condition commenced;
- the probable duration of the condition;
- an estimate of the amount of time that the physician or practitioner believes the employee is needed to care for the child, parent, spouse, or domestic partner; and
- a statement that the serious health condition warrants participation of the employee to provide care for his or her child, parent, spouse, or domestic partner.

This program does not provide a right to family or medical leave under the FMLA or CFRA or any job protection for employees qualifying for benefits. Employees' leave rights continue to be governed by existing state and federal family and medical leave laws. Consequently, employers who are not subject to existing family and medical leave may not be required by the law to grant employees time off. Employees may be required to use up to (2) two weeks of earned but unused paid time off prior to receiving any benefits under this program.

7.3 Jury Duty

The Company is committed to supporting employees in fulfilling their responsibilities to serve as jurors whenever it is possible. When an employee receives notification regarding upcoming jury duty, it is their responsibility to notify their direct supervisor and Human Resources within one business day of receiving the notice. Employees who are called to perform jury duty shall be given unpaid leave.

7.4 USERRA; Military Reserves or National Guard Leaves of Absence

As an Equal Opportunity Employer, the Company is committed to providing the basic employment and reemployment services and support as set forth in the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Further, employees who have finished their introductory period, and who serve in U.S. military organizations or state militia groups such as the National Guard, may take the necessary unpaid time off to fulfill this obligation and will retain all of their legal rights for continued employment under existing laws.

7.5 Extended Disability Leaves

If a period of disability continues beyond the 12 weeks provided for within the Family/Medical Leaves of Absence section, an employee may apply in writing for an extended disability leave.

8 EMPLOYEE COMMUNICATIONS

8.1 Open Communication

An efficient, successful operation and satisfied employees go hand in hand. In order to provide prompt and efficient evaluation of, and response to grievances or suggestions, the Company has established a formal Grievance/Suggestion Procedure for all employees. It will always be the Company's policy to give full consideration to every employee's opinion. There will be no discrimination against anyone for his or her part in presenting grievances/suggestions.

Under this policy, a grievance is defined as any event, condition, rule, or practice which the employee believes violates his or her civil rights, treats him or her unfairly, or causes him or her any degree of unpleasantness or unhappiness on the job. This covers a wide range of circumstances, including the workplace environment, working conditions, and policies or practices which interfere with or hinder the employee's performance. A grievance may also deal with an attitude, a statement, or an opinion held by a manager or a fellow employee.

When you have a grievance or other problem, you should go to your manager, or the person you report to, first. If this does not settle the matter, you are entitled to go to his or her immediate supervisor to see what can be done.

The Grievance/Suggestion Procedure is as follows:

- **See Your Manager First.** Establish with your manager an appropriate time and place to discuss your concern confidentially and in private. If for some reason your manager fails to offer you the opportunity to discuss the matter, or if the discussion does not lead to a satisfactory conclusion, then proceed to the next step.
- **Put It In Writing.** In writing (i.e., a letter, note or e-mail), explain the present situation, the desired condition, and your proposed solution/suggestion. Submit this writing to your manager.

If, after submitting the writing to your manager the situation remains unsettled, the matter should be referred to senior management. Submit the writing to the immediate manager of your manager. (If you are in doubt as to who this individual is, contact the personnel administrator to find out.) Make sure you include a summary of your communications with your manager on the subject. You may even wish to provide further details on your initial grievance/suggestion; name any witnesses if applicable, and be sure to mention any times, dates, and places. Once you submit this to senior management, an appropriate member of senior management will schedule a discussion with you.

- **Grievance/Suggestion Conference.** Your manager's immediate supervisor will review the grievance/suggestion and call you in for a scheduled conference. This may, at his or her discretion, be with or without the presence of your immediate manager. At this conference, you should feel free to openly discuss your complaint and substantiate your reasons for feeling the way you do; the senior management member will consider your input and render a decision. In most cases, the matter will usually be resolved at this stage.

If you are still displeased with the decision rendered, you should bring the problem directly to the CEO. The problem will be discussed with all concerned and a final decision rendered.

9 ACKNOWLEDGMENT

I acknowledge that I have received a copy of the Company Employment Policies, and I do commit to read and follow these policies. I also acknowledge I had the opportunity to request the Company translate these Employment Policies into another language, e.g., Spanish, and had a reasonable opportunity to ask any questions about these policies.

I am aware that if, at any time, I have questions regarding the Company policies I should direct them to my manager or the Human Resources Department.

I know that the Company policies and other related documents do not form a contract of employment and are not a guarantee by the Company of the conditions and benefits that are described within them.

Nevertheless, the provisions of such policies are incorporated into the acknowledgment, and I agree that I shall abide by its provisions.

MY EMPLOYMENT IS AT-WILL

I understand and agree that my employment is "at-will," which means that my employment is for no definite period and may be terminated by me or by the Company at any time, with or without cause or advance notice. I understand and agree that no one except the Chief Executive Officer of the Company can enter into an agreement contrary to this policy of "at-will" employment and that any such agreement must be in writing and signed by both the Chief Executive Officer of the Company and by me.

I also am aware that the Company, at any time, may on reasonable notice, change, add to, or delete from the provisions of the company policies.

Employee's Printed Name

Position

Employee's Signature

Date

Human Resource's Signature

Date

CEO Signature

Date