EMPLOYEE MANUAL















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WELCOME

The policies and procedures set forth in our Employee Manual are intended to promote a cooperative and healthy atmosphere in which to work, to explain personnel policies relating to conditions of employment and to provide for the administration of these policies in the interest of all concerned. Properly formulated and administered personnel policies create a working environment that is conducive to productivity and personal job satisfaction.

We welcome suggestions from you that will aid in maintaining a constructive and harmonious employment relationship. In order to retain necessary flexibility in the administration of policies and procedures, we reserve the right to change or revise this Manual without notice, whenever warranted. We ask that you insert any changes as received and delete outdated information as informed.

Together we will strive to service our customers to the best of our abilities. With hard work, dedication and an honest approach to giving our best, our company will continue to grow.

Brian J. Counsil President/CEO

Frian J. Cowof

Sun Air Jets, LLC

COMPANY PHILOSOPHY

Each employee is very important to the success of the Company and is considered a member of the Company team. The Company's success is built on the skills of and efforts made by each employee.

Overall, the Company will expect everyone to be a team player at all times, and to devote their best efforts to conduct an expanding, well-functioning and service-oriented business within which an atmosphere of harmony will prevail.

THIS MANUAL

This employee manual is presented for your information. We hope that it will introduce you to Sun Air Jets, LLC (the "Company") and enhance your job performance and satisfaction. However, this manual is not a contract of employment and does not guarantee your continued employment.

This manual supersedes any prior manual, verbal or written policy or procedure that may conflict with its provisions. We reserve the right to modify or change any of the policies or procedures contained in this manual as necessary. Any changes to this manual will be in writing. No oral statements, representations, conduct or practices of any officer or employee of the company will modify any of these policies.

None of these policies are intended to interfere with employees' rights protected by Section 7 of the National Labor Relations Act or other federal or state law to engage in concerted protected activity or to discuss the terms of their employment or working conditions with or on behalf of coworkers, or to bring such issues to the attention of management at any time.

All employees of the Company, including you, are employed at will. This means that we may change your terms and conditions of employment at any time, with or without advance notice or cause. It also means you may terminate your employment at any time, for any reason, and we have the same right to terminate your employment at any time for any reason. This at-will relationship cannot be modified during your employment unless we enter into a detailed written agreement signed by you and the President.

This manual cannot anticipate every situation or answer every question about your employment. It is a summary of the Company's personnel policies, benefits, and work rules. If you have a question about a particular policy, benefit or rule, feel free to ask your supervisor or Human Resources.

ORGANIZATIONAL CHART Chief Inspector(s) Inspectors Repair Station Accountable Manager **ORGANIZATIONAL CHART** EVP Director of Maintenance, Rob Cox Maintenance Technicians Maintenance supervisor Billing Specialist Parts and warranty program lead Director of Aircraft Management, Justin Sherrill Pilot Instructor Check Airman Chief Pilot First Officer Aanaging Member President/CEO, Brian Counsil Asst. Chief Pilots Capitan light Coordinator Director of Operations, Don Manzke Sr. Manager Flight Department Manager of Flight Coordination Customer Service Representatives Custodians Corporate Controller, Katie Esparza Accounting Assistant Accounting Manager Customer Service Manager HR & Payroll Manager, Madeline Southgate HR & Payroll Coordinator Line Service Technicians Shift Lead Line Service Manager SUN AIR JETS EVP Finance & Business Operations, Steve Maloney VNY Base Supervisor VP Charter Sales, Leigh Ann Spooner Charter Sales Representatives Charter Sales Manager Director of Busine Development arketing Manag VP of Business Strategy, Andreas Mauritzon Director of Safety & Inflight Services Manager Cabin Attendants

I. <u>EMPLOYMENT POLICIES</u>

1.1 EQUAL EMPLOYMENT OPPORTUNITY

We provide equal employment opportunities to all qualified applicants and employees without discrimination with regard to race (including protective hairstyles and hair texture), religion (including religious belief, observance, dress or grooming practices), creed, color, sex, sex stereotype, pregnancy, childbirth or related medical conditions (including breast feeding), age (40 years or over), sexual orientation, gender, gender identification and expression, transgender status, transitioning employees, physical or mental disability, medical condition (including cancer), genetic characteristics, genetic information, family care, marital status, registered domestic partner status, enrollment in any public assistance program, status as military, or as a veteran or as a qualified disabled veteran, status as an unpaid intern or volunteer, ancestry, citizenship, national origin, protected medical leaves (including a request for or approval of leave under applicable leave of absence laws), domestic violence victim status, political affiliation, or any other classification protected by law ("Protected Characteristics"). We also prohibit discrimination based on the perception that anyone has any of those Protected Characteristics, or is associated with a person who has or is perceived as having any of those Protected Characteristics. Accordingly, the Company can and will recruit, interview, hire, classify, provide benefits for, select for training, promote, demote, discipline, layoff, determine rates of pay or other compensation, transfer, terminate, and recall on the basis of merit and qualification without discrimination with regard to any of the protected classifications listed above.

We are committed to maintaining a work environment which is free from discrimination, harassment, bullying and retaliation. It is offensive to abuse another person's dignity through ethnic, racist or sexist slurs, or other derogatory or objectionable conduct. You may not harass, bully, discriminate or retaliate against another applicant or employee because of that person's actual or perceived race, religious belief (including dress or grooming practices), color, sex, sex stereotype, pregnancy, childbirth or related medical conditions (including breast feeding), age, national origin (including possessing a driver's license issued under Vehicle Code § 12801.9), ancestry, sexual orientation, gender identification and expression, transgender status, transitioning status, physical or mental disability, medical condition, genetic characteristics, genetic information, family care, marital status, enrollment in any public assistance program, status as military, a veteran or qualified disabled veteran, status as an unpaid intern or volunteer, or any other classification protected under applicable law. We will not tolerate discrimination, harassment, bullying or retaliation by any employee (including supervisors, managers or coworkers) or independent contractor of the Company, or by any outside persons in contact with our employees and independent contractors (including our customers, potential customers, vendors, delivery persons, etc.). This policy extends to conduct with a connection to your work, even when the conduct takes place away from our premises, such as a business trip or business-related social function.

We will reasonably accommodate the known physical or mental disabilities or religious beliefs or practices of an otherwise qualified applicant or employee, unless undue hardship would result. If you require accommodation to perform the essential functions of your job, please contact your supervisor and Human Resources to notify us of your disability or religious beliefs or practices and to describe the accommodations you believe are necessary to enable you to perform your job duties. We will work with you to determine whether there are any reasonable accommodations that would enable you to perform your job duties without causing undue hardship to the Company.

This policy of Equal Employment Opportunity is extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, compensation, benefits, discipline, layoff, recall and termination. If you have questions or concerns about discrimination, harassment, bullying or retaliation in the workplace you should bring these issues to the attention of your supervisor, Human Resources or the Department Vice-President of the Company. You can raise concerns, report problems, or make complaints without fear of reprisal. Anyone engaging in any type of unlawful discrimination, harassment, retaliation or bullying will be subject to corrective action, up to and including termination.

1.2 POLICY AGAINST HARASSMENT

We are committed to maintaining a harassment-free work environment. We prohibit sexual harassment and harassment based on race (including protective hairstyles and hair texture), religion (including religious belief, observance, dress or grooming practices), creed, color, sex, sex stereotype, pregnancy, childbirth or related medical conditions (including breast feeding), age (40 years or over), sexual orientation, gender, gender identification and expression, transgender status, transitioning employees, physical or mental disability, medical condition (including cancer), genetic characteristics, genetic information, family care, marital status, registered domestic partner status, enrollment in any public assistance program, status as military, or as a veteran or as a qualified disabled veteran, status as an unpaid intern or volunteer, ancestry, citizenship, national origin, protected medical leaves (including a request for or approval of leave under applicable leave of absence laws), domestic violence victim status, political affiliation, or any other classification protected by law ("Protected Characteristics"). We also prohibit harassment based on the perception that anyone has any of those Protected Characteristics, or is associated with a person who has or is perceived as having any of those Protected Characteristics.

For purposes of national origin harassment, improper and unlawful conduct includes, but is not limited to, harassment based upon an employee's or applicant's (or that individual's ancestors') actual or perceived physical, cultural, or linguistic characteristics associated with a national origin group, marriage to or association with persons of a national origin group, tribal affiliation, membership in or association with an organization identified with or seeking to promote the interests of a national origin group, attendance or participation in schools, churches, temples, mosques, or other religious institutions generally used by persons of a national origin group, and a name that is associated with a national origin group, possessing a driver's license issued under Vehicle Code § 12801.9, or any other characteristic protected by law.

Our anti-harassment policy applies to everyone involved in the operation of the Company and sets a standard of expected behavior for all persons working in or with our Company. We will not tolerate harassment by any applicant, employee (including supervisors, managers or coworkers) or independent contractor of the Company, or by any outside persons in contact with our employees interns, volunteers and independent contractors (including our customers, potential customers, vendors, delivery persons, etc.). This policy also covers conduct in the workplace, at

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social functions sponsored by The Company (such as holiday dinners, picnics, sporting events, etc.), and business functions (such as conventions, trade shows, etc.).

Prohibited harassment is defined as verbal, physical and visual behavior where:

- (1) The victim must accept the harassing behavior as an explicit or implicit condition of employment or other relationship with the Company.
- (2) The victim's acceptance or rejection of the harassing behavior is used as a basis for an employment decision or a decision affecting any other relationship with the Company.
- (3) The harassing behavior interferes with a person's work performance or creates an intimidating, hostile or offensive work environment. This behavior may include slurs, jokes, statements, email, texts, instant messages or other electronic messages, gestures, assault, interfering with another's movement or normal work activities, or pictures, drawings or cartoons based upon Protected Characteristics.

Sexual harassment, in particular, refers to all of the prohibited conduct described above, as well as unwelcome conduct such as requests for sexual favors, conversation containing sexual comments and other unwelcome sexual behavior or advances. Sexually harassing conduct may occur between members of the same gender as well as those of the opposite gender. Sexually harassing conduct need not be motivated by sexual desire. Sexual harassment may include situations that began as reciprocal relationships, but that later cease to be reciprocal.

This policy extends to conduct with a connection to your work, even when the conduct takes place away from our premises, such as a business trip or business-related social function.

Retaliation against any person for reporting or threatening to report harassment, or for participating in an investigation of harassment, is also prohibited. Reporting, or assisting in reporting, suspected violations of this policy and cooperating in investigations or proceedings arising out of a violation of this policy are protected activities under this policy.

Each supervisor has a responsibility to maintain the workplace free of any form of harassment, discrimination, retaliation and bullying. No supervisor shall threaten or insinuate, either explicitly or implicitly, that an employee's refusal to submit to sexual advances will adversely affect the employee's employment, evaluation, wages, advancement, assigned duties, shifts, or any other condition of employment or career development.

As part of the Company's commitment to provide a harassment and abusive conduct free workplace, the Company provides and requires training for all managers, supervisors and staff on sexual and all other forms of prohibited harassment and abusive conduct, at least once every two (2) years. While it is nearly impossible to prevent all employee conflict in any business, we believe that training our management staff how to recognize and prevent harassment and abusive conduct goes a long way to eliminating it in our workplace altogether.

1.3 GOSSIP, BULLYING, ABUSIVE CONDUCT OR COMMUNICATIONS

Bullying, gossip, profanity, abusive conduct and negative comments are destructive to our Company culture, create false rumors, disrupt workplace operations, interfere with others' privacy and hurt other people. You may not bully, gossip, engage in abusive conduct or make unnecessary, profane or disrespectful comments about other employees of our Company.

Bullying is defined as repeated intentional and malicious behaviors by an employer or employee at the workplace, directed at an employee, that is intended to degrade, humiliate, embarrass, or otherwise undermine the employee's performance in a manner unrelated to legitimate business interests. It may include verbal abuse (such as repeated derogatory remarks, insults or epithets), offensive conduct or behaviors which a reasonable person would find to be threatening, humiliating or intimidating. It may also include work interference, gratuitous sabotage or undermining of a person's work performance without legitimate business purpose. A single act does not constitute abusive conduct unless it is especially severe or egregious.

This policy extends to conduct with a connection to your work, even when the conduct takes place away from our premises, such as a business trip or business-related social function.

1.4 <u>REPORTING HARASSMENT, DISCRIMINATION, RETALIATION OR</u> <u>BULLYING TO THE COMPANY</u>

If you believe you have been harassed, discriminated or retaliated against, or bullied, or have witnessed an incident of harassment, discrimination, retaliation or bullying, please submit an oral or written complaint to your supervisor, Human Resources or the Department Vice-President of the Company as soon as possible after the incident. Employees do not have to follow a chain of command when reporting any kind of harassment, discrimination, retaliation or bullying.

Any supervisor or manager who receives a complaint of discrimination, harassment, bullying or retaliation must immediately report that complaint to Human Resources or the Department Vice-President. A manager or supervisor's failure to immediately report such activity, complaints, or allegations will result in discipline up to and including termination.

You are encouraged to report conduct that you believe may be prohibited discrimination, harassment, bullying or retaliation (or that, if left unchecked, may rise to the level of prohibited discrimination, harassment, bullying or retaliation), even if you are not sure that the conduct violates the policy.

Your complaint should include details of the incident(s) and the names of the individuals and witnesses involved. Anonymous complaints will also be investigated. We will fairly, promptly and thoroughly investigate your complaint. The investigation will be conducted internally or externally by an impartial and qualified investigator. The investigation process will be documented and tracked for reasonable progress to ensure a timely resolution. Although we cannot promise complete confidentiality, we will maintain confidentiality to the extent permitted by law and will be as discreet as possible throughout the investigation process.

All personnel must fully cooperate in the investigation process. This includes, but is not limited to, maintaining an appropriate level of discretion regarding the investigation and disclosing

any and all information that may be pertinent to the investigation. You may not discourage or prevent any victim of harassment, bullying, discrimination or retaliation, from using our complaint procedure to report harassing, bullying, discriminatory or retaliatory conduct, or discourage or prevent any witness from participating in the investigation.

If we determine that harassment, bullying, discrimination or retaliation has occurred, we will take appropriate remedial action to prevent future instances of wrongful conduct and to resolve the complaint in light of the circumstances involved. As well, an employee who engages in unlawful harassment, including any coworker, supervisor, or manager, may be held personally liable for monetary damages. The Company will <u>not</u> pay damages assessed personally against an employee.

We will inform the complainant, the accused and any other involved persons about the general results of our investigation. We will not retaliate against you for filing a complaint or participating in an investigation, and we will not tolerate or permit retaliation against you by management, supervisors, employees, independent contractors or other persons.

We urge you to immediately report any incidents of harassment, bullying, discrimination or retaliation so that we can quickly and fairly resolve any complaints. The federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing also investigate and prosecute complaints of unlawful harassment, bullying, discrimination and retaliation. If you think you are the victim of harassment, discrimination or retaliation, you may file a complaint with the appropriate agency. Both agencies may be found on the internet or through Directory Assistance. The Company has also provided you with a copy of the Brochure on Sexual Harassment (DFEH 185).

1.5 FRATERNIZATION

We strongly discourage personal and social relationships between supervisory and nonsupervisory employees because they may lead to misunderstandings, complaints of favoritism, lack of objectivity, sexual harassment, or severe employee morale problems.

If you date or ask to date, make sexual overtures toward or accept sexual overtures from, or attempt to establish a romantic or sexual relationship with any employee working under your direct or indirect supervision or management, you must immediately disclose the circumstances to Human Resources or the Department Vice-President of the Company.

Your relationship with another employee (including sexual or romantic relationships, family relationships, close friendships, roommates or similar relationships, whether or not one of you is a supervisor or manager of the other) must not disrupt Company operations or violate our policy against harassment contained in this manual.

1.6 IMMIGRATION LAW COMPLIANCE

We are required by the Immigration Reform and Control Act of 1986 to verify all regular and temporary employees' identity and their right to employment in the United States. Your employment is contingent upon providing this documentation and keeping it current with us throughout your employment.

To meet this obligation, you must provide the Company with documentation establishing your identity and legal right to work in the United States within three working days after your hire date. If you have not completed this verification within three days, you may not work until the verification process has been completed.

The Company will monitor the expiration dates of identity and legal authorizations to work in the United States. You must keep this documentation updated throughout your employment to maintain your continued employment status. You must also notify Human Resources of any change in your immigration status.

If your right to work documentation expires, you will be put on inactive status, and you will have five business days to submit renewed documentation of your right to work. If you do not do so, we are required to terminate your employment.

1.7 <u>EMPLOYMENT STATUS</u>

1.7.1 Regular Full-Time Employee

Regular full-time employees are regularly scheduled to work 40 hours in a work week. Regular full-time employees are entitled to all Company-sponsored benefits described in this manual, as specified by our current carriers or as required by law.

1.7.2 <u>Regular Part-Time Employee</u>

Regular part-time employees are regularly scheduled to work less than 40 hours but 30 or more hours in a work week. Regular part-time employees will be eligible for some of the Company-sponsored benefits described in this manual, and as required by law. Benefits eligibility and employee category will be determined by a six (6) month "look back period".

1.7.3 <u>Casual Part-Time Employee</u>

Casual part-time employees are regularly scheduled to work less than 30 hours in a work week. Casual Regular part-time employees will not be eligible for the Company-sponsored benefits described in this manual, except as required by law. ". A casual part time employee will not change status merely by working a set schedule or in excess of the time expected.

1.7.4 Temporary Employee

Temporary employees are scheduled to work a limited period of time. A temporary employee may be either full-time or part-time. A temporary employee will receive no Company-sponsored benefits except as required by law.

1.7.5 Exempt Employee

An exempt employee is one whose wages and duties are not covered by certain wage and time requirements of applicable local, state or federal regulations. An exempt employee does not receive overtime and does not follow the same time card procedures as a non-exempt employee. Exempt employees will be notified of their exempt status by management.

1.7.6 Non-Exempt Employee

A non-exempt employee is paid on the basis of hours worked per pay period and receives compensation for overtime. Non-exempt employees must follow the timekeeping procedures set forth in this manual. All employees are non-exempt unless notified otherwise by management.

Non-exempt employees are prohibited from reviewing and/or responding to emails or text messages while they are "off-the-clock" unless specifically requested by their Supervisor to be "on call". Non-exempt employees who are not "on call" and are contacted during off hours should notify their Supervisor so that such messages can be appropriately routed either to the Supervisor, or another employee who is "on call".

1.7.7 Reference Checks/Clearances/Licenses

We confirm the educational background, employment and personal references of all applicants prior to hire. If we discover after your hire that you submitted incomplete or false information in your application process, you will be disciplined or terminated.

If you are required to drive Company or personal vehicles on Company business, you must have and maintain a valid California driver's license and remain eligible for coverage under our insurance policy. You must also provide a valid insurance declaration establishing your own insurance coverage for your personal vehicle, if applicable.

If a license or certification is required to perform your job duties, you are responsible for obtaining and maintaining that license or certification. If a license (other than a driver's license) or certification is required for your job position, we may reimburse you for the costs of obtaining that license or certification in certain circumstances.

1.7.8 Employment of Relatives/Personal Relationships

Because of the potential for conflicts of interest and employee morale problems, we will not employ relatives, spouses, registered domestic partners or employees who share a significant relationship if:

- one of the employees will be supervised by the other, or
- a conflict of interest arises or could arise between the employees, or with any other employee.

If these situations arise between you and another current employee, we will consider transferring one of the employees who share a significant relationship. If transferring is not an option, we may ask the two of you to voluntarily decide which one of you will resign. If neither of you voluntarily resigns, we may choose which one of you will be terminated. If you are terminated in this situation, you will remain eligible for rehire to a position for which you are qualified.

1.7.9 Outside Employment & Other Activities

You may participate in outside employment or in any other activity as long as it does not directly or indirectly create a conflict of interest with our Company or interfere with your job performance. If a conflict arises or you are unable to maintain a high work performance standard as a result of your outside job or activity, we will ask you to choose between that position or activity and your continued employment with us.

1.7.10 Introductory Period

You are considered an introductory employee during your first 90 days of employment with us. During this period, we will evaluate your work attitude, attendance, performance and ability to work with other employees and supervisors. Likewise, during this period, you have the opportunity to determine if you are satisfied with your position and working environment. While in your introductory period, you will not receive Company-sponsored benefits, except as noted or as mandated by law.

When you have satisfactorily completed your introductory period, you will become a regular (full or part-time) employee. Completing your introductory period does not alter your at-will employment status. You retain the right to terminate your employment at any time, with or without cause or notice, and we have a similar right throughout your employment with us.

1.7.11 Promotion and Job Openings

We may post certain job openings or promotions. Current employees may be given first consideration after our review of such factors as education, experience, performance record, ability and skills. Whether a job opening is suitable for promotion within the Company is in management's sole discretion.

1.7.12 Department Transfers

Transfers within the Company are not guaranteed. You must notify Human Resources of the desire to apply for an open position within five (5) days from the date of the open position advertisement. To be eligible for a position transfer you must have completed one year of service with the Company and have worked for one year in your current position, or the eligibility to interview for the open position must be approved by the President of the Company. Internal applicants must interview with the hiring manager for open positions if eligible for transfer.

1.7.13 Terminations

Termination is the severance of our employee-employer relationship, whether by resignation, layoff, discharge, retirement or death. As an at-will employee, you have the right to terminate your employment at any time and we have a similar right to terminate your employment at any time.

If you choose to resign, we request (but do not require) the courtesy of at least two weeks' written notice so that we can plan ahead for your departure.

If it becomes necessary to reduce staff, we will select employees for layoff based on job performance levels and qualifications, the requirements of available positions, our need for particular skills and experience, and any other business needs of the Company. If all other factors are equal, we will then give preference to seniority.

1.8 CONDITIONS OF EMPLOYMENT

1.8.1 Work Schedules

We will provide you with your work schedule when you begin employment. Your work schedule is subject to change as necessary to meet the Company's needs, although we will provide you with reasonable notice to facilitate your personal planning.

1.8.2 <u>Duty-Free and Uninterrupted Meal Periods</u>

Non-exempt employees are entitled to take an unpaid duty-free and uninterrupted meal period of at least 30 minutes whenever you work more than five hours. This meal period should commence before you have completed five hours of work. You are entitled to take a second unpaid duty-free and uninterrupted meal period of at least 30 minutes whenever you work more than ten hours. This meal period should commence before you have completed ten hours of work. You are entitled to take a third unpaid duty-free and uninterrupted meal period of 30 minutes whenever you work more than 15 hours. This meal period should commence before you have completed fifteen hours of work. Hourly non-exempt employees are expected back at their work station ready to start work at the end of each scheduled meal period.

You must record the beginning and the end of each duty-free meal period on the time clock or your time record. If you perform any work for any reason during your meal period, you must record it on the time clock or your time record so that you can be paid for your time. Working off-the-clock during any meal period is strictly prohibited.

If your work shift will be six hours or less, or you work more than ten but less than 12 hours in one shift and you have already taken your first duty-free and uninterrupted meal period of the day, the law permits you to waive your meal period at your option. If this circumstance occurs, or if you choose not to take the duty-free and uninterrupted meal period(s) we have provided to you, you must note that you voluntarily waived your meal period on our time clock system.

You are entitled to leave the premises for your duty-free and uninterrupted meal period. You may not skip your duty-free meal period(s) in order to work unauthorized overtime, to come in late or to leave early without the prior approval of your supervisor. You may not extend the time you have available to you for a duty-free meal period by combining meal periods or by adding duty-free rest periods to a meal period.

If you are unable to take a desired duty-free and uninterrupted meal period in a timely manner for any reason, let your supervisor or Human Resources know immediately so that we can work with you to ensure that your duty-free meal periods are always available to you. You may raise any concerns about your ability to take your duty-free meal periods at any time without

fear of retaliation; it is our intent that you be able to take all of your designated duty-free and uninterrupted meal periods each day of work.

Exempt employees are entitled to take meal periods at reasonable intervals as needed. If your workload prevents you from taking meal periods, let your supervisor or Human Resources know immediately so that we can address the situation.

1.8.3 <u>Duty-Free Rest Periods</u>

Non-exempt employees are entitled to take a paid duty-free and uninterrupted tenminute rest period for each four-hour work shift or major portion of four hours (i.e., more than two hours), except that employees whose work shift will end in 3.5 hours or less are not entitled to a rest period. Duty-free and uninterrupted rest periods are provided as follows: (1) employees working between 3.5 hours to six hours are entitled to take one rest period of ten minutes; (2) employees working shifts of more than six hours to ten hours are entitled to take two rest periods of ten minutes each; (3) employees working shifts of more than ten hours to fourteen hours are entitled to take three rest periods of ten minutes each, and so on.

Your duty-free and uninterrupted rest period(s) should be taken in the middle of each four-hour work period whenever possible. You are entitled to leave the premises for your duty-free and uninterrupted rest period(s). You may not extend the time you have available to you for a rest period by combining rest periods or by adding rest periods to a meal period.

If you are unable to take a duty-free and uninterrupted rest period in a timely manner for any reason, please discuss it immediately with your supervisor or Human Resources so that we can work with you to ensure that your duty-free rest periods are always available to you. You may raise any concerns about your ability to take your duty-free and uninterrupted rest periods at any time without fear of retaliation; it is our intent that you be able to take all of your designated duty-free rest periods each day of work.

Exempt employees are entitled to take rest periods at reasonable intervals as needed. If your workload prevents you from taking rest periods, let your supervisor or Human Resources know immediately so that we can address the situation.

1.8.4 Lactation Accommodation

Nursing employees are entitled to a reasonable amount of break time to express milk in private in an area (other than a bathroom) designated by the Company. That area will be in close proximity to your work station, and it will be safe, clean, free of hazardous materials, shielded from view and free from intrusion. It will also contain a surface on which to place a breast pump and other personal items, a place to sit, and will have access to electricity or alternative devices needed to operate an electric or battery-powered breast pump. We will also provide a sink with running water and a refrigerator, or other cold storage device suitable for storing milk, in close proximity to your work station. You should use your regular paid rest periods for this purpose. Additional break periods necessary to express milk will be unpaid. If you require additional information or lactation accommodation, please contact supervisor or Human Resources. supervisor or Human Resources will respond to you promptly.

We urge you to immediately report any incidents or failures to accommodate your lactation needs to supervisor or Human Resources, so that we can quickly and fairly resolve those concerns. We will not discriminate or retaliate against you based upon your lactation needs or activity. However, you are also entitled to file a complaint with the California Division of Labor Standards Enforcement (DLSE), if you think you have been discriminated or retaliated against in this regard. That agency may be found on the internet or through directory assistance.

1.8.5 Attendance

1.8.5.1 Absences

Regular and timely attendance is an essential function of every position in our Company. We count on you to be present at work during your assigned shifts, unless you have been excused or there is an emergency or unexpected illness or injury. Your absence will be considered "excused" only if you have received prior approval from your supervisor to use your available leave time to cover your absence.

If the need for an absence is foreseeable, you must provide reasonable advance notification. If you will be unexpectedly absent for any portion or all of a work day for any reason, you must notify your immediate supervisor at least 90 minutes prior to your starting time, or as soon as possible in light of the circumstances. If your supervisor is not available, you must speak to Human Resources. If the need for an absence is foreseeable, you must provide reasonable advance notification.

If you are absent more than one day, you must provide the same notice each day of absence, unless we have previously approved a specific date for your return to work. If you are absent for three consecutive days without proper notification, we will assume that you have voluntarily resigned your position as of 5PM PST on the third business day.

Upon absence and/or non-availability of management personnel, a specific line of succession will be activated. The supervisor will either issue a company email or out of office reply identifying the person that should be contacted in their absence including email address/telephone number or other means of contact; or use the voice mail system to indicate name, time period expected to be out of office, and whom to contact with their contact information.

Subject to applicable law, we may require a doctor's certificate for any absence due to illness or injury. We also may require a doctor's certification that you have been released to return to work before you are permitted to return after an illness or injury.

You should not automatically assume that an absence is permissible merely because you have sufficient paid time off benefits available to cover all or a portion of your absence. We may determine that your absences are excessive if, based upon all the facts and circumstances, it is found to be disruptive to the Company, your co-workers or our customers or to cause an undue hardship to the Company. Unsatisfactory attendance, reporting late or quitting early, or patterns of absenteeism or tardiness may result in disciplinary action, up to and including termination.

1.8.5.2 <u>Tardiness</u>

We expect you to begin work at your scheduled starting time and promptly after any meal period. You will be considered "tardy" if you clock in after your scheduled starting time or after your scheduled return from any meal period.

1.8.6 Remote Work

The Company will permit eligible employees to work remotely when their job duties would permit remote work and the Company believes it would be beneficial to the employee as well as to the Company. The Company retains the right in its sole and absolute discretion to designate appropriate positions for telecommuting and approve employees for telecommuting.

Telecommuting does not change your at-will employment status, the conditions of employment or compliance with legal requirements as well as all Company policies and procedures. The Company reserves the right to revise or terminate any previously-approved telecommuting arrangement at any time, without cause or advance notice. Telecommuting is a privilege and may not be appropriate for all employees or job positions. Telecommuting arrangements may also be approved as a reasonable accommodation in the event of a medically-certified disability, if it does not cause an undue hardship on Company.

Your job responsibilities, standards of performance, and performance appraisals remain the same as when working at the regular office worksite. Your supervisor reserves the right to assign work as necessary at any worksite. You may be required to return to the Company's work location upon notice from the Company. Your remote work status will be evaluated on an ongoing basis to ensure that your work quality, efficiency, and productivity are not compromised by the telecommuting arrangement, and/or based upon current CDC recommendations or public conditions. Your option to work remotely is subject to the following conditions:

- 1. **Schedule.** Unless otherwise approved by your direct supervisor in writing, your hours and days of work will not change. You are expected to maintain your typical days and hours of work while working remotely. You must obtain advance approval of your supervisor to alter your schedule. Regardless of the reason, any schedule changes must be made in accordance with our established attendance policy. This includes any request for partial or extended time off due to unexpected illness or injuries, personal leave or other reasons for absence from work.
- 2. **Focus on Work Activities**. You are expected to devote your full professional time, commitment and best efforts to your usual work duties, unless modifications to your workload or schedule are approved by your supervisor in writing and in advance. You acknowledge that non-work related activities during your scheduled work hours are prohibited while telecommuting, including, but not limited to caring for your family (unless you have requested and been approved for family care leave), household tasks, personal activities, work for other employers, etc. Telecommuting is not intended as a substitute for child care or care for another adult. If a child or adult needs care during work time, another responsible individual is expected to be present.
- 3. **Required Office/Client Work**. You are expected to attend all required meetings and to be present at your usual Company location, or another Company-designated

location, upon request. Client, vendor or co-worker meetings and non-business visitors, unless pre-approved by your supervisor, must be scheduled at a Company location and may not be scheduled at your home.

- 4. **Overtime (Non-Exempt Employees)**. If you are classified as a non-exempt (hourly) employee, you may not work overtime without first seeking and obtaining approval of your direct supervisor in accordance with our established policies.
- 5. **Meal and Rest Periods (Non-Exempt Employees).** If you are classified as a non-exempt (hourly) employee, you understand and agree to take all required duty-free and uninterrupted rest and meal periods during your workday pursuant to the Company's policies on duty-free meal and rest periods and any other approved break time.
- 6. **Timekeeping (Non-Exempt Employees).** If you are categorized as a non-exempt (hourly) employee, you must record all time worked and all meal breaks taken on Company's timekeeping records, using your time sheet.
- 7. Use of Vacation or Sick Leave. You must request approval to use vacation, sick, or any other personal leave as required in the Company's employee manual, in the same manner as when working at your regular Company work location.
- 8. **Workplace Safety, Illness & Injury**. You agree to maintain a safe, secure, and ergonomic alternate worksite. You are solely responsible for ensuring the safety of your alternative worksite, and you may be held personally responsible for any injuries resulting from a serious or willful condition in your alternative worksite. While telecommuting, you are protected by the Company's workers' compensation insurance. As such, you are required to report any injuries that occur while working in any alternative worksite *as soon as possible* under the circumstances (in most instances, this should be no later than twenty-four (24) hours after the injury). You also are liable for any injuries that occur to third parties at or around your alternative worksite. You agree to defend and indemnify and hold the Company harmless for injury to third parties at your alternate worksite. The Company reserves the right to investigate all circumstances associated with third-party claims.
- Company Resources & Equipment. The Company will work with you on an as-needed basis to assign and provide Company equipment as needed to perform your remote work. You are responsible for the security and good condition of Company-issued resources. You agree to protect Company-owned equipment, records, and materials from unauthorized or accidental access, use, modification, destruction, or disclosure. You agree to report to your supervisor any incidents of loss, damage, or unauthorized access at the earliest reasonable opportunity. You understand that all equipment, records, and materials provided by the Company shall remain the property of the Company. The Company will provide, or will work with you to obtain, any equipment necessary to perform your job duties. You will maintain and pay the costs of any additional equipment you choose to use beyond that required for your position. The Company accepts no responsibility for damage or repairs to your personal equipment. Other household members or anyone else may not use the Company's equipment and software. Company-owned software may not be duplicated except as formally authorized.

Accessibility & Responsiveness. During any telecommute work hours, you agree to: (1) remain accessible by e-mail and telephone during your usual work schedule; (2) check in with your direct supervisor as necessary to discuss status and open issues; (3) be available

for teleconferences, scheduled on an as-needed basis; (4) be available to come into the office if a business need arises; and (5) abide by the directives of your supervisor(s) as well as the rules and policies established by Company.

1.8.7 Performance Reviews

Performance reviews are intended to provide you with feedback regarding management's assessment of your job performance. They also give you an opportunity to discuss your job requirements and the Company's expectations, as well as to raise any concerns you may have. Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis.

Performance evaluations are scheduled approximately every 12 months, generally conducted in December, but may be done at any time. A formal written performance evaluation may be conducted at the end of an employee's first 90 days of employment. The actual frequency of evaluations may vary depending upon an employee's length of service, job position, past performance, changes in job duties, or performance problems.

You will be given an opportunity to see and comment upon the evaluation, sign the form to show that it has been read and discussed, and receive a copy. You are encouraged to ask questions and comment on the evaluation

During your performance review, your compensation may be adjusted upward or downward based upon market conditions, your performance and the Company's performance. Compensation increases are not guaranteed. The outcome of your performance review and any compensation adjustment you may receive will not alter your status as an at-will employee.

1.9 <u>COMPENSATION</u>

1.9.1 Policy Against Pay Discrimination

Unlawful pay discrimination is strictly prohibited by law and Company policy. We will not pay any of our employees' wage rates that are less than what we pay employees of the opposite sex, of another race, national origin or ethnicity, or based on any other Protected Characteristic, for substantially similar work involving the same skill, effort, and responsibility, and performed under similar working conditions. Differences in compensation rates will be based upon legitimate business considerations such as education, experience, skill, productivity, and other performance qualities unrelated to the personal characteristics of any particular employee.

1.9.2 Workweek/Workday

Our work week begins at 12:00 a.m. on each Sunday and ends at 11:59 p.m. on the following Saturday. Our work day begins at 12:00 a.m. on each day and ends at 11:59 p.m. that night.

1.9.3 Overtime; Day of Rest

Business circumstances may require that employees work overtime hours, and we expect you to do so when called upon unless there are exceptional circumstances.

Non-exempt employees will be paid for overtime hours worked as required by applicable law. Generally, this means that you will earn overtime pay at the rate of time-and-a-half your usual rate for hours worked over eight in one workday, over 40 in one workweek, and for the first eight hours of work on the seventh day of work in the same workweek. You will receive overtime pay at the rate of double-time for hours worked over twelve in one workday, and for all hours worked in excess of eight hours on the seventh workday in the same workweek. Only hours actually worked are counted toward overtime. Any paid time off for sick leave, vacation time, bereavement, or holiday will <u>not</u> be considered hours worked for purposes of performing overtime calculations.

We will work with you so that you have at least one full workday completely off duty during each workweek. If the nature of your employment reasonably requires you to work more than six days in the payroll workweek, then we will work with you so that you receive the equivalent of at least one day completely off duty for every seven days in the calendar month. While employees are normally required to work overtime when requested, this requirement does not apply if working the extra overtime hours would result in you failing to receive one full workday completely off duty during each workweek. Although, you are entirely free to make your own choice to accept those extra overtime hours, you will not be required to do so, nor will you be viewed negatively for choosing not to accept the extra hours.

All overtime hours must be authorized in advance by your supervisor. You may not skip your meal period(s) in order to work unauthorized overtime. If you work unauthorized overtime, you will be paid for your time, but you will also be disciplined or terminated for doing so.

1.9.4 Pay Period/Pay Day

You will receive your paycheck every two weeks on Friday. If a Company or bank holiday falls on a designated pay day, we will issue paychecks on the day before whenever possible.

You must pick up your paycheck in person or provide your signed written authorization for another person to do so. You may choose to have your paycheck deposited automatically into your checking or savings account. Forms for enrolling in the Automatic Deposit program are available from Human Resources. If you choose direct deposit, you may choose to receive your wage statements in electronic or paper form. Wage statements for all employees are always available at any time in Fuse (payroll/HRIS system) for download or printing. If you choose direct deposit, you may choose to receive your wage statements in electronic or paper form.

1.9.5 Payroll Deductions

We will make payroll deductions from your paycheck as required by state and federal law. These currently include: Social Security (FICA), State Disability (SDI), and state and

federal income taxes. Other deductions, such as employee health insurance contributions, may also be made if you authorize it in writing. We will not deduct any amounts from your paycheck unless required by law or authorized in writing by you.

1.9.6 Payroll Errors

If you have questions about errors, inclusions or omissions on your paycheck, promptly address them with your supervisor or Human Resources. Any necessary corrections will be made immediately. If payroll errors result in an overpayment to you, you must promptly reimburse us for that overpayment.

1.9.7 Pay Advances, Loans or Check Cashing

We do not grant payroll advances, loans or check cashing to employees.

1.9.8 Garnishments

When your wages are garnished by a court order to repay a debt that you have incurred, we are legally bound to withhold the amount required by the garnishment order from your paycheck. If you object to the garnishment, you must take independent action to have it lifted; we cannot intervene on your behalf.

If your financial concerns do not interfere with your job performance, we will make the deductions and payments as required and there will be no job-related repercussions. However, if an excessive number of wage garnishment orders or involvement in legal matters related to your garnishments causes administrative hardship and unnecessary cost for us, we may have to consider separation from employment.

1.9.9 Time Records

All non-exempt employees must use the Company's timekeeping system to record their daily hours worked. You must record the time you began your work day, the time you left for a meal period, the time you returned from a meal period, the time you stopped work at the end of the day, and whenever you leave the premises for any reason other than rest breaks or Company business. You must approve your time record no later than the end of your last work day in the work week.

If you forget to record your time or if there are errors on your time record, report it to your supervisor immediately so that the Company can correct your time record. Any hours recorded in excess of your scheduled hours (including unscheduled working time or overtime) must be approved in advance by your supervisor.

You may not be on Company premises or begin working earlier than your authorized starting time, and you may not remain on Company premises or stop working later than your authorized ending time, without prior approval of your supervisor.

Working off-the-clock is strictly prohibited. "Off-the-clock" work is a generic term that means work you may perform but that is not reported. Any employee who fails to report or

inaccurately reports any hours worked will be subject to disciplinary action, up to and including discharge. No supervisor is authorized to direct an employee to work "off the clock."

Unauthorized use of or tampering with the timekeeping system, marking another employee's time record (even with that employee's permission), allowing another employee to mark your time record or writing on your or another employee's time record is prohibited.

You will be paid only for time recorded by the time keeping system, and for other authorized time off. If you have any questions or problems, please discuss them immediately with your supervisor or Human Resources.

Any requests or instructions by a supervisor or employee to (1) incorrectly or falsely under- or over-report hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked should be reported immediately to a Vice President or Human Resources.

1.9.10 Unclaimed/Lost Paychecks

If you do not pick up your paycheck within three days of the date issued, we will send a letter to your last known address reminding you to pick up your paycheck or to give written instructions to the Company to mail it to an address you have designated. You must report lost or missing paychecks immediately so that we can place a "stop payment" order on the paycheck. If appropriate, we will issue a new check to replace a lost or missing check.

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II. BENEFITS

This section is intended to provide eligible employees with a brief summary of some of the features of our Company-sponsored benefits. It is important to note that more detailed information is contained in the official plan documents and insurance policies that govern our Company-sponsored benefit plans. If there is any conflict between the brief summaries contained in this manual and the official plan documents, the official plan documents will control.

2.1 <u>VACATIONS</u>

We provide paid vacation time to regular full-time employees who have completed their introductory periods to provide them with periods of rest and relaxation away from their regular job duties. Eligible employees do not earn paid vacation time during their introductory period. If eligible, you will earn paid vacation time as follows:

EMPLOYMENT PERIOD	BI-WEEKLY ACCRUAL	ANNUAL ACCUMULATED TIME
0-3 months	None	None
Following 90 days of service, Years 1 through 4 th year	3.079 hours per pay period	Up to 80 hours per year
Years 5 through 9 th year	4.62 hours per pay period	Up to 120 hours per year
10+ years	6.15 hours per pay period	Up to 160 hours per year

Part time benefits eligible employees accrue thirty (30) hours of vacation time during the first year of service, increasing to sixty (60) hours of accrual during the second year of service. All above mentioned vacation pay rules apply. A part time benefits eligible employee's previously accrued vacation time pay will not be forfeited due to paid hours falling below the thirty (30) hours per week average during any six (6) month review; however, vacation time accrual will stop for the next six (6) months. Another look back analysis will be performed at the end of the following six (6) months, and eligibility for benefits will be determined.

Vacation time accrues on a pro rata basis per pay period. Vacation pay is paid to you at your current straight-time hourly rate at the time you take the vacation. We do not advance vacation time or pay to employees.

You may use vacation time in minimum increments of one-half day (four hours). You may not use more than two weeks of vacation at one time, without the advance approval of your supervisor.

Your accrued, unused vacation time may be carried over from year to year. However, once you have accumulated 1.50 times as many hours as your current annual accrual benefit, you will stop accruing further vacation time until you have taken enough vacation hours to bring you below this accrual cap.

You will not accrue vacation benefits while on a leave of absence. You will not receive additional vacation time if you become ill or injured while on vacation. If a designated paid holiday is observed by the Company during your vacation period, it will not count against your vacation bank. All accrued but unused vacation will be paid to you at your final rate of pay when you leave the Company. Pilots flying "managed" aircraft will be paid out in full of any accrued vacation balance upon transitioning from one managed aircraft to another managed aircraft. Vacation will then resume accruing.

You must submit your vacation request at least two weeks in advance, and all vacation requests must be approved in advance by your supervisor. If there is a conflict in scheduling vacations, we will first consider our business needs. If all other factors are equal, we will then give preference to seniority in approving conflicting vacation requests.

Although you are allotted vacation pay benefits to cover periods of absence for personal time off, you should not automatically assume that an absence is permissible merely because you have sufficient vacation pay benefits available to cover all or a portion of your time off. The Company may determine that your absences are excessive if, based on all the facts and circumstances, it is found disruptive to the Company, co-workers or customers.

We may defer your vacation request, require you to take vacations at certain times, schedule your vacation if you fail to do so or if we deem it necessary, pay out your accrued vacation or shut down all or any part of the Company for vacation purposes if necessitated by business needs or in our sole discretion. We will give you at least 90 days' notice of Company-scheduled vacation time.

2.2 SICK LEAVE

Eligible employees (those who work for the Company for 30 days or more in one year) will be entitled to receive paid sick leave from the commencement of employment as follows:

Eligible Regular Full-Time

On the first date of eligibility, employees will receive 48 hours or 6 days (whichever is greater) of paid sick leave. This sick leave does not accrue. For each subsequent calendar year, on January 1st, eligible employees will receive a new allotment of 48 hours or six days (whichever is greater) of paid sick leave to be used during the ensuing year. Thereafter, each year on January 1st, you will begin again with 48 hours or six days (whichever is greater) of sick leave regardless of what remained from the previous year. Eligible employees may carry over unused sick leave up to a maximum of 120 hours or 15 days, (whichever is greater).

Eligible Non-Full-Time Employees

On the first date of eligibility, employees will receive 24 hours or three days (whichever is greater) of paid sick leave. This sick leave does not accrue. For each subsequent calendar year, on January 1st, eligible employees will receive a new allotment of 24 hours or three days (whichever is greater) of paid sick leave to be used during the ensuing year. Thereafter, each year on January 1st, you will begin again with 24 hours or three days (whichever is greater) of sick leave regardless of what remained from the previous year. Eligible employees may carry over

unused sick leave up to a maximum of 48 hours or 6 days, (whichever is greater). Once you have reached the maximum cap, you will not earn any additional paid sick leave until you have used enough sick leave to fall below the cap.

Provisions Applicable to All Eligible Employees:

Local city ordinances may apply to your accrual or use of sick time, depending upon the city(ies) in which you work. Local ordinances which alter your accrual or use of sick time will be applied as necessary depending upon where you work. If there is any conflict between this sick leave policy and the laws of the city in which you work, the law which is more generous to you will apply.

Eligible employees may begin to use paid sick leave beginning on the 90th day of employment. Subject to applicable law, eligible employees may use sick leave in minimum increments of two hours.

Sick leave is paid at your regular straight-time hourly rate in effect at the time you use it, or as otherwise required by law. Sick time pay for hourly employees who are able to earn commission while utilizing sick time pay will be calculated by dividing the employee's total wages, not including overtime premium pay, by the employee's total hours worked in the full pay periods of the prior 90 days of employment. You will receive payment for used sick leave no later than the payday for the next regular payroll period after the sick leave was taken.

We will not "advance" sick leave against future benefits. After you have exhausted your sick leave benefits, further absences due to illness or injury will be without pay, unless you request that we apply accrued vacation to your absence. Sick leave may not be used for vacation or personal time off, but may be used for preventive care or the diagnosis, care or treatment of an existing health condition including, things like, medical or dental appointments, as well as a need for time off due to domestic violence, sexual assault or stalking. You may also use your annual earned sick leave to care for your injured or ill family member, including any of the following: spouse, child of any age, sibling, parent, registered domestic partner, grandparent, grandchild or any other family members specified by applicable law.

If the need for paid sick leave time is foreseeable, you must provide reasonable advance notification. In unexpected or emergency situations, you must notify your immediate supervisor at least 90 minutes prior to your starting time, or as soon as possible in light of the circumstances. If your supervisor is not available, you must speak to Human Resources. If you are absent more than one day, you must provide the same notice each day of absence, unless we have previously approved a specific date for your return to work. You must keep your supervisor informed as to when you expect to return to work.

Although you are allotted sick pay benefits to cover periods of absence due to personal illness or injury, you should not automatically assume that an absence is permissible merely because you have sufficient sick pay benefits available to cover all or a portion of your time off. Subject to applicable law, we reserve the right to require a written statement from your physician or your family member's physician certifying your absence. If your absence is due to

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your medical condition, to the extent allowed under the law, we reserve the right to require a written release from your physician that you can return to work.

If you leave the Company for any reason, the Company does not cash out unused sick leave. However, if you are rehired within one year of your initial separation, all previously unused sick leave will be reinstated.

If your absence due to illness or injury extends beyond seven days, or if you are hospitalized, you should file a claim with the California Employment Development Department for State Disability Insurance. You may obtain information and claim forms from Human Resources or online at www.edd.ca.gov.

2.3 HOLIDAYS

Subject to applicable law, regular non-exempt full-time and regular part-time (30 or more hours per week) employees who have completed their introductory periods are given the following nine (9) holidays off with pay each year:

HOLIDAY	DATE OBSERVED
New Year's Day	January 1
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Day after Thanksgiving	Friday after Thanksgiving
Christmas Eve Day	December 24
Christmas Day	December 25

Flight crew full time and casual part-time employees are not eligible for holiday pay. Part time benefits eligible flight crew employees are not eligible for holiday pay on a holiday that falls on a day the employee is flying.

Holidays falling on Saturday will be observed on Friday. Holidays falling on Sunday will be observed on Monday.

We will pay holiday pay to you at your regular straight-time hourly rate in effect at the time the holiday is observed. Part-time employees' pay will be pro-rated based on the number of

hours per week scheduled to work. To be eligible for holiday pay, you must work on your last scheduled work day immediately prior to, and your first scheduled work day immediately after the designated holiday, unless your absence is excused.

It may be necessary for some departments to schedule their non-exempt employees to work on a paid holiday; in such case, the employee will receive the applicable holiday pay in addition to the pay for hours worked. You will not receive holiday pay if you are scheduled to work but do not report to work on a designated holiday.

If an exempt employee is required to work on a company-observed holiday, the exempt employee will not receive additional pay; but may be granted an additional paid holiday (vacation) day with the approval of the Department Vice-President.

If you recognize alternative holidays for religious purposes, contact Human Resources to discuss your right to take additional religious holidays without pay.

2.4 LEAVES OF ABSENCE

2.4.1 <u>Insurance and Benefits During All Disability Leaves</u>

If you need a leave of absence for disability purposes other than pregnancy disability leave (including CFRA, FMLA, FMLA/CFRA, Workers' Compensation Leave or other disability leaves), and you are otherwise eligible under the applicable leave laws and also eligible to participate in our Company-sponsored group health and dental/vision insurance program, we will work with you to help you maintain your group health and dental/vision insurance coverage during your leave in accordance with applicable law. For FMLA/CFRA, we will pay our usual share of your coverage premiums for up to 12 weeks]. For pregnancy disability leave ("PDL"), the Company will continue to pay its share of group insurance coverage premiums for a period of up to 17.3 workweeks. Such benefits may overlap with the Company's obligations to continue premium payments under the Family and Medical Leave Act ("FMLA").

You must also pay for your usual share of your coverage premiums as well as for any dependent coverage. If you do not make timely premium payments to us during your leave, your coverage will be cancelled for nonpayment of premiums, and you will receive information regarding your right to continue your coverage under COBRA at your own cost.

You do not accrue paid time off benefits during your leave of absence. If you wish to apply any accrued paid time off to your leave, we will work with you to coordinate your use of paid leave with your state disability benefits where applicable. Any paid time off applied to your leave will count towards your allotted leave time and will not increase the total leave time allowed.

2.4.2 Disability Leave

In addition to any legally-mandated leave to which you may be entitled, we will make every effort to reasonably accommodate your need for an unpaid leave of absence in the event of a disability, as long as it will not pose an undue hardship for the Company. If you require a disability leave, make a written request to Human Resources.

You must notify Human Resources of your intent to resume work at least one week prior to your expected return date. Before returning to work after a disability leave of absence, you must provide us with a written statement from your physician, stating your ability to return to your regular duties and any restrictions you may have.

Although we cannot guarantee that your job will be held open for you until you return from a disability leave, we will make every effort to return you to the same or a similar job position. If no job opening exists for which you are qualified, you will be separated from employment.

While you are on a disability leave, you may not accept other employment involving the same duties or activities as your position with us. If you do so, or if you fail to return to work at the end of your disability leave, we will assume you have voluntarily resigned your position at our Company.

2.4.3 Family and Medical Leave Act

2.4.3.1 <u>Entitlement to Leave</u>. The federal Family and Medical Leave Act ("FMLA") guarantees eligible employees a medical or family care leave of absence without pay for a maximum of twelve weeks within a rolling twelve-month period measured backward from the date you use any FMLA leave.

To be eligible for FMLA, you must (1) have been employed with us for at least 12 months within the past seven years; (2) have worked at least 1,250 hours in the year preceding your request for leave, and (3) work within 75 miles of at least 50 employees in our Company.

FMLA leave will be granted for (1) your own serious health condition that makes you unable to perform the functions of your position; (2) the birth, adoption, foster care placement or serious illness of your child; or (3) to care for your parent or spouse who has a serious health condition. Leave for the birth, adoption or foster care placement of your child must be taken within one year of your child's birth, adoption, or placement.

If your own serious health condition continues beyond twelve weeks, we cannot guarantee reinstatement to your position, but we will review the circumstances with you to determine whether further leave time would be a reasonable accommodation without causing undue hardship to the Company. If you do not return to work as scheduled at the end of a leave without obtaining prior approval for continued leave, we will assume you have voluntarily resigned your position with the Company.

- 2.4.3.2 <u>Key Position Employees</u>. If you are in a "key position" (defined as the highest-paid 10% of Company employees within 75 miles of that worksite), you may not be returned to your former or equivalent position following a leave if keeping your position available would cause substantial economic injury to the Company, as determined on a case-by-case basis. We will notify you and explain your rights if you fall within this designation.
- 2.4.3.3 <u>Leave for Care of Family Members in the Military</u>. You may take up to 12 weeks of FMLA leave because of any special circumstances that arise out of the fact that your spouse, child or parent is on active duty or has been called to active duty as a reservist, National

Guardsperson or existing active duty serviceperson. This leave applies even if no medical condition or injury exists that would otherwise qualify for FMLA leave.

- 2.4.3.4 <u>Leave for Care of Injured Military Family Member</u>. You may take up to 26 weeks of FMLA leave to care for a parent, child, spouse, nearest blood relative or registered domestic partner who is injured while on active duty in the U.S. Armed Forces within the five years preceding the date of your requested leave.
- 2.4.3.5 <u>Applying for Leave</u>. Submit your request for leave in writing to Human Resources. We will notify you in writing if your leave has been approved. At least one week prior to your return to work, you must provide written notice to Human Resources of your intent to resume work.

If your request for leave is because of the serious health condition of yourself or a qualified person, you must provide us with a physician's certificate along with your request for leave. The certificate must set forth the date when the condition commenced, its probable duration, an estimate of the time needed for care and a statement that the condition warrants the leave. Before returning to work after a leave of absence based on your own medical condition, you must provide us with a written statement from your physician, confirming your ability to return to your regular duties and any restrictions you may have.

2.4.3.6 <u>Disability Benefits</u>. You may be eligible for State Disability Insurance ("SDI") for the unpaid portion of your leave. Information regarding your SDI benefits may be obtained from Human Resources. If you wish to apply any accrued paid time off to your leave, we will work with you to coordinate your use of paid leave with your state disability benefits where applicable.

This leave may run concurrently with CFRA leave.

2.4.4 California Family Rights Act

2.4.4.1 <u>Entitlement to Leave</u>. The California Family Rights Act ("CFRA") guarantees eligible employees a medical or family care leave of absence without pay for a maximum of twelve weeks within a rolling twelve-month period measured backward from the date you use any CFRA leave.

To be eligible for CFRA, you must (1) have been employed with us for at least 12 months; and (2) have worked at least 1,250 hours in the year preceding your request for leave.

CFRA leave will be granted for: (1) your own serious health condition that makes you unable to perform the functions of your position (excluding pregnancy, childbirth, or related medical conditions); (2) the birth, adoption, foster care placement or serious illness of your child (biological, adopted, foster child, stepchild, legal ward, child of a domestic partner, or a person to whom you stand in loco parentis); (3) to care for your child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or domestic partner who has a serious health condition. Leave for the birth, adoption or foster care placement of your child must be taken within one year of your child's birth, adoption, or placement; or (4) a qualifying exigency related to the covered active duty or

call to covered active duty of your spouse, domestic partner, child, or parent in the Armed Forces of the United States.

If you are covered by a group health insurance plan at the time of your CFRA leave, you are entitled to continue your group health insurance coverage for the duration of your CFRA leave (up to 12 workweeks) under the same terms and conditions as when you are actively working.

At the end of your leave, you will be reinstated in the same or a comparable position. If your own serious health condition continues beyond twelve weeks, we cannot guarantee reinstatement to your position, but we will review the circumstances with you to determine whether further leave time would be a reasonable accommodation without causing undue hardship to the Company. If you do not return to work as scheduled at the end of a leave without obtaining prior approval for continued leave, we will assume you have voluntarily resigned your position with the Company.

2.4.4.2 <u>Applying for Leave</u>. Submit your request for leave in writing to Human Resources. We will notify you in writing if your leave has been approved. At least one week prior to your return to work, you must provide written notice to Human Resources of your intent to resume work.

If your request for leave is because of the serious health condition of yourself or a qualified person, you must provide us with a physician's certificate along with your request for leave. The certificate must set forth the date when the condition commenced, its probable duration, an estimate of the time needed for care and a statement that the condition warrants the leave. Before returning to work after a leave of absence based on your own medical condition, you must provide us with a written statement from your physician, confirming your ability to return to your regular duties and any restrictions you may have.

2.4.4.3 <u>Disability Benefits</u>. You may be eligible for State Disability Insurance ("SDI") for the unpaid portion of your leave. Information regarding your SDI benefits may be obtained from Human Resources. If you wish to apply any accrued paid time off to your leave, we will work with you to coordinate your use of paid leave with your SDI benefits where applicable.

This leave may run concurrently with FMLA leave.

2.4.5 Pregnancy-Related Job Modification or Disability Leave

If you are pregnant, you may request a modification of your job duties or a transfer to a less strenuous or hazardous position. We will accommodate your request for a modification or transfer if it is medically advisable and can be reasonably accommodated without undue hardship to us. You must provide a certification from your health care provider confirming the medical need for a job modification or transfer. Before returning to your normal work duties or schedule, you must provide a written statement from your physician, confirming your ability to return to your regular duties and any limitations upon your ability to work.

If you are disabled by pregnancy, childbirth or related medical conditions, or a condition related to these areas, you may take an unpaid pregnancy disability leave ("PDL"). The

PDL covers any period(s) of physician-certified disability of up to four months (17.3 workweeks) per pregnancy. For employees who work part-time or do not work a regular schedule, the PDL covers the amount of time you would typically work in a four month period. At the end of your leave, you will be reinstated in the same or a substantially equivalent position unless your position has been eliminated because of a change in business conditions or operations.

You do not need to take your PDL in one continuous period of time, but can take it on an as-needed basis. Time off needed for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth and recovery from childbirth and pregnancy-related medical appointments would all be covered by your PDL. You must provide a certification from your health care provider of your pregnancy disability. Before returning to work after a disability leave of absence, you must provide us with a written statement from your physician, confirming your ability to return to your regular duties and any limitations you may have.

You may be eligible for State Disability Insurance ("SDI") for the unpaid portion of your leave. Information regarding your SDI benefits may be obtained from Human Resources. If you wish to apply any accrued paid time off to your leave, we will work with you to coordinate your use of paid leave with your state disability benefits where applicable.

If you are covered by a group health insurance plan at the time of your leave, you are entitled to continue your group health insurance coverage for the duration of your pregnancy disability leave under the same terms and conditions as when you are actively working.

If you have been on PDL and intend to take CFRA leave or Paid Family Leave for baby bonding purposes after the birth of your child, you must provide us with a certification of your change of leave status.

For more information regarding your eligibility for a leave and the impact of the leave on your seniority and benefits, please contact Human Resources.

2.4.6 Paid Family Leave

Under California's Paid Family Leave Act ("PFL"), you may be eligible to receive payments from the state Employment Development Department while you are on leave for up to eight weeks of leave to care for an ill family member (defined as parent, parent-in-law, child, spouse, sibling, grandparent, grandchild or domestic partner) or for bonding with a newborn or recent adoptee, or to participate in a qualifying exigency related to the covered active duty or call to covered active duty of your spouse, domestic partner, child, or parent in the Armed Forces of the United States. You contribute to the cost of this insurance through payroll deductions.

You must apply two weeks of your available paid time off benefits to this leave. We do not pay you for your leave, and we cannot guarantee that your job will be held open for you after a Paid Family Leave, although we will certainly make every effort to return you to the same or similar job. We will not retaliate against you for requesting or taking Paid Family Leave. This leave may run concurrently with CFRA or FMLA/CFRA leave.

For further information on this benefit and whether you will be guaranteed reinstatement, please contact Human Resources.

2.4.7 Coordinating CFRA Leave, PDL and PFL

If you have been employed with us for at least one continuous year and worked at least 1,250 hours in the year preceding your request for leave, you may request CFRA leave of up to twelve work weeks to bond with your child after your physician has released you from your post-delivery PDL. This unpaid CFRA leave is separate from the right to take PDL (and concurrent FMLA leave, if applicable), which is explained in the preceding sections of this manual. There is no need to establish a serious health condition for you or your child to take CFRA leave. Your baby-bonding leave must be taken in minimum increments of two weeks and is available to you only within one year after your child's birth.

The maximum possible combined unpaid leave for a pregnant woman is up to four months for pregnancy disability if medically required (which includes any period of disability certified by a physician after the birth of the child), plus 12 work weeks to care for and bond with the newborn child. CFRA leave may overlap with the Paid Family Leave referenced in the previous section.

For more information regarding your eligibility for an unpaid CFRA leave, the impact of the leave on your seniority and benefits and coordination with PDL, please contact Human Resources.

2.4.8 Bone Marrow or Organ Donor Leave

You are eligible for leave of up to five business days in any twelve consecutive months to serve as a bone marrow donor, and leave of up to 30 business days in any twelve consecutive months to serve as an organ donor. This leave is paid by the Company, except that if you have accrued sick leave or vacation days available, you must apply five days of your accrued sick leave or vacation days to your leave for bone marrow donation and two weeks of your accrued sick leave or vacation days to your leave for organ donation. Using your available paid leave does not extend the total amount of leave available to you by law. In addition to the paid leaves described above, you are also eligible for a separate *unpaid* leave of up to 30 business days in any twelve consecutive months to serve as an organ donor. You may apply any available accrued but unused sick leave or vacation days to this unpaid leave for organ donation.

To be eligible for this leave, you must provide medical certification of your need for leave and a written release to return to work at the conclusion of the leave. Benefits will continue to accrue and your absence will not be considered a break in service. We will pay our usual share of insurance premiums during the leave. Depending upon the circumstances of the leave, CFRA, FMLA/CFRA may apply to your request for donor leave.

2.4.9 Workers' Compensation Leave

If you suffer a work-related injury or illness, you are entitled to an unpaid leave of absence. Your leave will continue until one of the following situations occurs:

1. You are released for full or modified duty and can return to work, with or without reasonable accommodation;

- 2. We receive medical evidence that you will be unable to return to work at any time in the future; or
- 3. You resign your position or do not return to work after your approved leave has expired.

We may require an examination by a medical professional of our choice at no cost to you to verify your ability to begin or remain on a medical leave.

If you return to work at the end of your leave of absence, you will be reinstated to your former position, unless business conditions have caused us to eliminate your job position. If your position is not available, you will be offered any available opening in a comparable position for which you are qualified. If there is no such position, you will be terminated.

CFRA, FMLA/CFRA may run concurrently with your workers' compensation leave.

2.4.10 Jury Duty/Appearance as a Witness

All employees may attend jury and witness duty in accordance with their legal obligations to do so. Upon receipt of the jury or witness summons, you must immediately notify your supervisor and discuss the implications of a potential leave of absence. If called to jury or witness duty, regular full-time and regular part-time (benefit eligible) non-exempt employees will be paid up to a maximum of three (3) work days per calendar year. Jury and witness duty pay will be reduced by any amount (other than mileage reimbursement) received from the court or other sources for those days of jury or witness duty. Thereafter, the Company will provide time off without pay for further court compelled jury or witness duty. Exempt employees will not incur any reduction in pay for a partial week absence due to jury or witness duty. Casual part-time employees are not eligible for jury or witness duty pay.

While on jury duty, you must give us a jury attendance report, signed by a court official, at the end of each week of jury duty. During jury service or witness duty, you must return to work on any day when you are not required to report to the court or when you are excused early, as long as there are at least two hours remaining on your usual shift.

2.4.11 Civil Air Patrol Leave

If you are a member of the California Civil Air Patrol, you are entitled to time off to serve when called, and you will be reinstated to your position when your service is complete. To request a leave of absence, submit documentation of your service to Human Resources.

2.4.12 Military Leave

If you are on full-time duty in the armed services, we will give you all leave of absence, benefits and reinstatement rights guaranteed to you by current laws. If you are a member of a National Guard or Military Reserve (including Federal and State Military Reserve) unit, we will give you an unpaid leave of absence for your annual military training (typically two weeks per year). You must give your official duty orders to Human Resources and submit a written request for a military leave of absence. You may apply your accrued paid time off benefits to

receive pay for any leave period not covered by your military base pay, or you can choose to take the time off without pay. We will not discriminate or retaliate against you based upon your membership or service in any state or federal military force, as it pertains to any term, condition or privilege of employment with our Company.

2.4.13 Military Family Leave

You are entitled to up to ten days of unpaid leave when your military spouse or registered domestic partner is home on leave from active service in the Armed Forces, National Guard or Reserves. Your leave must take place while your military spouse or registered domestic partner is on leave from deployment to an area of "military conflict," defined as a period of war declared by Congress or authorized under the federal Armed Forces Code. To be eligible for this leave, you must be working an average of 20 or more hours per week, and you must request leave from Human Resources within two business days of receiving official notice that your military spouse or registered domestic partner will be on leave from deployment. You can apply any accrued paid leave time to this leave. We will not discriminate or retaliate against you based upon your membership or service in any state or federal military force, as it pertains to any term, condition or privilege of employment with our Company.

2.4.14 Victims of Domestic Violence, Sexual Assault, Stalking or Other Crimes

If you are the victim of a crime or abuse, including domestic violence, sexual assault, stalking or other violent crimes or abuses, you are entitled to reasonable time off without pay to obtain legal relief, such as a temporary restraining order, restraining order, or other injunctive relief for your protection or for your child's protection. You are also entitled to reasonable unpaid time off if the victim is your immediate family member. If these situations arise, we will work with you to determine whether there are any reasonable accommodations that would enable you to perform your job duties without causing undue hardship to the Company.

You are also entitled to time off without pay to seek medical attention, to obtain relief, assistance or services from a domestic violence shelter, program, rape crisis center, or a victim services organization or agency, to obtain psychological counseling, mental health services, or to take other steps to ensure your safety and wellbeing related to an experience of crime or abuse. You must provide Human Resources with reasonable advance notice whenever possible, and with documentation of the need for time off. Proper documentation may include a police report, a restraining order or other notice of a court appearance, or documentation from a medical professional, health care provider, domestic violence advocate, or counselor stating that you are undergoing treatment for physical or mental injuries or abuse, or any other form of documentation that reasonably verifies that the crime or abuse occurred, including but not limited to, a written statement signed by you, or an individual acting on your behalf. You may use any accrued paid time off while on this leave. This time off will run concurrently with leave time provided under the CFRA FMLA/CFRA.

2.4.15 Bereavement Leave

You are entitled to a paid bereavement leave of up to three days following the death of your spouse, child or step-child, parent or step-parent, grandparent, sibling or step-sibling,

certain in-laws (including, father-in-law, mother-in-law, brothers- and sisters-in-law) or registered domestic partner. Regular part-time employee will be paid six (6) hours for each day absent for bereavement reasons. You may request bereavement leave in special circumstances for other persons not listed here. Bereavement leave must be approved by your supervisor. We may request satisfactory documentation of your need for leave.

2.4.16 Time Off to Vote

If your normally-scheduled work hours prevent you from voting in any statewide election, you may take up to two hours of paid time off to vote at the beginning or end of your work day. You must request voting time off at least two days in advance, and you must provide your voting receipt to your supervisor.

2.4.17 Visiting Child's School

We will give you unpaid time off if you are a parent or guardian of a student and you have been summoned to appear at the student's school under the Education Code or there is a child care provider or school emergency under the Labor Code. You must provide reasonable notice and documentation of the appearance to your supervisor.

If you are a parent, stepparent, foster parent, grandparent, guardian or a person standing in loco parentis with custody of a child in a licensed child care provider or in kindergarten through grade 12, you may take up to 40 unpaid hours (no more than eight hours per calendar month) for each child during each school year to participate in the child's school activities, or to find, enroll, or reenroll a child in a school or with a child care provider. You must give reasonable notice to Human Resources. You can apply accrued paid time off benefits to this leave. If two eligible employees want to take the same leave to attend the same child's activity, we will grant leave to the employee who makes the first request, and we may grant leave to the second employee if business circumstances permit us to do so.

2.4.18 Volunteer Firefighter/Peace Officer/Rescue Personnel

If you are a volunteer firefighter, reserve peace officer or emergency rescue personnel (including any officer, employee or member of a disaster medical response team sponsored by the state), you may take all necessary unpaid time off from employment to perform your emergency duty. You may also take up to 14 days of unpaid leave each calendar year for the purpose of engaging in fire, law enforcement or emergency rescue training. You must provide as much advance notice as possible to Human Resources and you must provide documentation of your need for leave. If you are a health care provider you must notify us at the time you become designated as "emergency rescue personnel" and when you are notified of deployment based on that designation.

2.5 GROUP INSURANCE

We provide access to medical, dental and visions insurance coverage options for all eligible employees. You are eligible for coverage in accordance with the terms of the applicable policy and the Affordable Care Act, as well as any equivalent local, state or federal laws. We will pay a portion of the premium for eligible employees. You must pay the premiums for dependent

coverage of spouses, dependents and registered domestic partners. You will pay your share of the premiums through payroll deductions.

When your employment ends, you will be covered through the end of the month. After that, you may be eligible to continue coverage through COBRA at your own cost.

Our insurance benefits may be changed or eliminated at any time. The details of our insurance benefits are controlled by the terms of the plan. You may obtain further information regarding our insurance benefits from Human Resources.

2.6 <u>VOLUNTARY AND SUPPLEMENTAL PLANS</u>

The Company offers voluntary Life and Long Term Disability Insurance plans, however, the Company does not contribute to the premium for these plans. The Long Term Disability and Life Insurance follows the same eligibility and initial enrollment rules as the health insurance plans. However, these plans do not have an annual open enrollment period after initial eligibility.

The Company cooperates with both Colonial and AFLAC to provide alternate insurance options for interested employees. The Company does not contribute to or administer these policies, and any questions, concerns, or claims must be directed to a representative of either Colonial or AFLAC.

2.7 <u>401K PLAN</u>

Unless otherwise required by applicable law or the plan documents, after completing ninety (90) days of employment, and if you are at least 21 years of age, you will be eligible to participate in our 401K plan. Information regarding our plan is available from Human Resources.

III. GENERAL POLICIES

3.1 CONFIDENTIAL INFORMATION

We use our resources to develop confidential information and trade secrets that are essential to our Company, clients and employees. Our confidential information and trade secrets are developed by our employees as part of their job duties and responsibilities. Because protecting our confidential information and trade secrets is important to us, you are required to sign a Confidential Information Agreement as a condition of your employment.

Our confidential or trade secret information includes financial data, product information, the names and contact information for customers, vendors and other potential customers, technological data, marketing information, and other details of our business. This information may be contained in our written materials or in our electronic databases.

You must take great care to protect our trade secrets and other confidential information. You may not disclose any trade secrets or confidential information to third parties, either during or after your employment. You must store all confidential and trade secret information in a manner that protects and maintains the confidentiality of that information.

Notwithstanding anything else in this Manual to the contrary, you will not be liable for: disclosing trade secrets in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; or disclosing trade secrets in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

Nothing in this policy is intended to interfere with employees' rights protected by Section 7 of the National Labor Relations Act or other federal, state or local law to engage in concerted protected activity or to discuss the terms of their employment or working conditions with or on behalf of co-workers, or to bring such issues to the attention of management at any time.

3.2 CALIFORNIA CONSUMER PRIVACY PROTECTION ACT

The Company complies with the California Consumer Privacy Act. As such, we want to remind you again of the information that we collect in connection with your employment, and how we use that information.

The categories of information we collect may include:

- Personal identification and contact information, including among others, your name, mailing address, email address, phone number, Social Security number, driver's license or passport.
- Information related to relevant third parties, including emergency contact information, beneficiary information, and banking or wire transfer information.
- Subject to legal compliance, personal characteristics necessary to process your employment status, emergency contacts and medical benefits, including family and health information, marital status, disabilities, and current health conditions.

• Your training, skills, and abilities, including education, prior work experience, and licenses or permits you hold.

We will use the information we collect in the following ways:

- To evaluate your application for employment and to process your onboarding once hired;
- To administer benefits;
- To process payroll and other payments, monitor pay changes, and ensure proper taxes, deductions and withholdings;
- To conduct performance reviews, document promotions/demotions, and to administer discipline as needed;
- To ensure a safe and productive work environment, including monitoring time off work and leaves of absence;
- To monitor compliance with work-related licenses and credentials;
- To assist you in case of emergency;
- To comply with the law.

The information we collect is securely stored within our Recruiting and Payroll Software, as well as in your personnel file, and associated tools and databases. If you have any questions about this policy, or you would like to inquire about the information that we collect and maintain in regard to your employment, please contact Human Resources.

3.3 PATENTS AND COPYRIGHTS

Any patent or copyright developed by an employee of and for the Company is work for hire and is the property of the Company. Any information pertaining to such patent or copyright must remain on company premises.

If an employee attends conferences, publishes information or passes on any Company related information to third parties which he or she attained, accumulated, or learned on the job, any monetary compensation awarded to the employee in relation to this form of information sharing is property of the Company.

Any violation of this policy can lead to the immediate termination of employment and may have legal consequences.

Nothing in this policy is intended, nor shall be construed, to apply to any invention which qualifies fully under the provisions of California Labor Code Section 2870, which provides:

"(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without

using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either:

- (1) Relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer.
 - (2) Result from any work performed by the employee for the employer.
- (b) To the extent a provision in an employment agreement purports to require an employee to assign an invention otherwise excluded from being required to be assigned under subdivision (a), the provision is against the public policy of this state and is unenforceable."

3.4 HIPAA NOTICE

The Company is committed to respecting the privacy of employees, and will protect health information in accordance with state and federal regulations, including the Health Insurance Portability and Accountability Act (HIPAA) of 1996. HIPAA, a federal law, is designed to protect the privacy of an individual's medical information. The Company is required to maintain the privacy of employees' protected health information, to provide notice of its legal duties and privacy practices, and to abide by the terms of this Notice currently in effect. The company maintains a separate file for each employee containing HIPAA protected documents. Only authorized company representatives are allowed access to an employee's HIPAA file. At times, we may share information we collect about you with our business associates (e.g., brokers, benefit consultants, and third party administrators) for the purposes of assisting us in providing and servicing your benefit plans, claims or contracts; as allowed by the relevant laws protecting your privacy; or in circumstances where you consent. We may also disclose information we collect about you to third parties in response to a subpoena, to prevent fraud, to comply with an inquiry by a government agency or as necessary for other legal purposes.

Any employee who violates the Company's privacy policies and procedures will be subject to discipline. Complaints can be filed with Human Resources or the Department of Health and Human Services regarding violations of this privacy policy.

3.5 TECHNOLOGY AND COMMUNICATIONS SYSTEMS

Our technology and communication services, equipment and content ("Communications System") include mail, electronic mail ("e-mail"), facsimiles, telephones, voicemail, personal computers, computer networks, on-line services, Internet connections, computer files, video equipment and tapes, tape recorders and recordings, dictation machines, pagers, cellular phones, PDAs, smart phones, text messages, Internet posts, bulletin boards and any similar communications or equipment. As technology progresses, there will no doubt be additions.

Our Communications System is our Company property. You have no personal rights and no right of privacy in any use of our Communications System. We will access and monitor every employee's use of the Communications System, including all content created or stored on it.

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When using our Communications System, you must comply with the following guidelines:

- You are to use the Communications System only for business purposes. Personal use of the Communications System is not permitted, and you should not expect privacy with regard to any unauthorized personal use.
- You may not send or receive personal mail or e-mail with our Communications System.
- You may not use our Communications System to harass discriminate or retaliate against others, to gossip or bully others, or to send anonymous communications.
- We may access any employee's use of our Communications System at any time; however, you may not access another employee's use of our Communications System without that person's advance permission to do so.
- We have access to your use of the Communications System at all times, and your use of personal passwords does not prevent us from doing so. If you implement personal passwords, you must disclose them to the IT Manager, but you may not disclose your personal passwords to any other employee without the prior approval of the IT Manager.
- You may not tell outside parties that your voicemail or email is private or confidential, since it may be accessed by us or by other employees as necessary.
- You may not install or download any software, Internet add-in, toolbar, software update or other addition to our Communications System without the advance approval of the IT Manager.
- You may not send our Company information or property to your personal e-mail or other outside location except as required in your job duties, and you may not download Company information or property to any external drive or storage device.

In addition to any disciplinary action that may be imposed, we also may advise legal authorities of any illegal use of our Communications System.

3.6 SOCIAL MEDIA POLICY

Social media refers to blogs, chat rooms, forums and social networking sites such as Facebook, Twitter, LinkedIn, Pinterest, Instagram, SnapChat and YouTube, among others. You have the right to engage in personal social media activities to express your thoughts or promote your ideas, as long as your activities are not performed on working time or by using our Communications System, and do not cause harm to others or conflict with our policies, business, goodwill or reputation.

If you engage in social media activities on your own time, you must comply with the following guidelines as a condition of employment with us:

• Do not disclose our confidential and proprietary information or trade secrets.

- Do not write or post harassing discriminatory, retaliatory, bullying or offensive material in violation of law or our Company policies.
- Do not unlawfully defame the Company or our personnel, activities or competitors.
- Do not use or reproduce our logo, website link or other proprietary Company information without advance permission of the Department Vice-President.
- When expressing your opinion or position, you must use your own name and Internet account, not the SUN AIR JETS, LLC or Internet account. Your comments or posts must be yours alone, and must not appear to be representative of or approved by our Company.

Remember that you are responsible for your comments or posts on social media sites. You can be sued by the Company, its personnel or by any third party if you post defamatory, proprietary, harassing, libelous, or pornographic comments.

If you want to use social media to promote our Company's activities, products or initiatives, you must obtain advance approval of the Department Vice-President.

You are not required to disclose your personal social media passwords or to grant management access to your private social media postings or the postings of any third parties. Your postings may be subject to disclosure by law or in the context of a workplace investigation. You should be aware that any content posted or published on the Internet is, by its very nature, subject to disclosure in any number of ways (including by third parties who have received or viewed your posts), and you do not have secure privacy rights with regard to your social media activity.

Nothing in this policy is intended to interfere with employees' rights protected by Section 7 of the National Labor Relations Act or other federal or state law to engage in concerted protected activity or to discuss the terms of their employment or working conditions with or on behalf of coworkers, or to bring such issues to the attention of management at any time. We will enforce this policy only to the extent necessary to protect our trade secrets, enforce our policies and protect Company personnel and customers.

3.7 <u>ENDORSEMENT POLICY</u>

We appreciate our employees' efforts to promote our products and services. However, the Federal Trade Commission ("FTC") has set specific guidelines for statements made by employees about any Company service or product through social media, internet activity or other electronic publications or communications. The guidelines apply to you even when you are using your personal computer, telephones or other electronic equipment on your own time.

If you are posting information about our products or services on any internet site (such as Facebook, Twitter, blogs, chat rooms, or other media sources), you must state only your honest opinions, beliefs or experience. You must also conspicuously and clearly disclose your relationship to our Company so that readers of the message know that you are affiliated with our Company when they read your post or comment.

Under the FTC guidelines, we are required to monitor your Internet or other electronic endorsements of our products or services, and to take action if the FTC guidelines are violated. If you do not comply with these disclosure requirements, you are personally liable for any misleading or unsubstantiated statements made regarding our products or services.

3.8 USE OF COMMUNICATION DEVICES

3.8.1 Workplace Use

Because they create distractions and disrupt regular work routines, you may not use personal communication devices such as cell phones, PDAs, smart phones and pagers during work hours and in work areas, unless you are using a Company-provided device or a Company-approved personal device for business purposes.

You must restrict your personal use of your own communication devices to your official meal or rest periods or other work breaks. Even while on break, your personal communications must not disrupt other Company personnel. If you have an emergency situation requiring you to be reachable (such as a family member undergoing surgery or the imminent birth of a child), you must obtain the prior approval of your supervisor to use a communication device during working hours.

You may not forward business calls to or from a cell phone or other personal device unless you have prior approval from your supervisor.

3.8.2 <u>Company-Provided Devices</u>

Company-provided cell phones must be used only for business purposes and only when a less costly alternative does not exist. If you use a Company-provided cell phone for personal use, you must reimburse us for the cost of the call(s).

3.9 COMPANY INSPECTION

Although we provide certain storage areas in the workplace to you for your convenience and to help you to do your job, these areas remain our sole property at all times. We can and will inspect all Company property and its contents at any time we believe it to be necessary or appropriate. Remember that other employees may also enter your desk or other Company property as needed to perform their job duties. We also reserve the right to search any bags, purses, briefcases or other personal items that you bring onto Company premises.

We are not responsible for loss, damage, theft or destruction of any articles that you place or leave in Company storage areas. Do not bring anything into the workplace that you would not want to lose.

3.10 COMPANY PROPERTY

We expect you to take good care of our Company property and to use our Company property only for authorized business purposes. The following rules must be observed with regard to Company tools, equipment, and facilities:

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- (1) All items purchased by the Company remain the property of the Company and represent a very valuable asset of the Company.
- (2) All scrap materials and parts remain the property of the Company. An employee may discuss personal use of scrap materials and parts with their supervisor. A Director level or above must make the final decision.
- (3) It is the responsibility of the employee to whom tools and equipment are assigned to safeguard these assets as if they were their personal property.
- (4) When leaving a work area, it is recommended that all tools that cannot be secured in locked storage be removed from the work area.
- (5) Only authorized and trained employees are allowed to operate Company equipment including opening aircraft doors.
- (6) Good housekeeping and a clean work environment is expected from everyone.
- (7) Waste of energy and materials is discouraged. Please conserve energy at every opportunity including keeping thermostats in moderate ranges and turning off lights at end of the day

You must return all Company property issued to you when your employment ends or upon our request.

3.11 PERSONAL PROPERTY

The Company may exercise its right to inspect all packages and parcels that enter and leave the premises at the direction of the Company President or competent legal authority, and in accordance with Federal Postal Regulations, especially in light of general aviation's special susceptibility to criminal and/or terrorist activity. Employees should have no expectation of privacy for any parcel or item they bring onto Company premises. If an employee desires to keep the contents of a parcel or container or handbag private or confidential it should not be taken onto Company premises.

The Company recognizes an employee's desire to display mementos pertaining to their family or other personal items. While the Company will take no responsibility for the safekeeping of these items, it welcomes its employees to personalize their work areas for added comfort or pleasantness. However, the following guidelines must be observed:

- (1) Nothing can be displayed that, in the opinion of management or a coworker, is derogatory to any person or system of beliefs.
- (2) Objects, in the opinion of management, that are inappropriate or hinder work efforts will not be allowed and must be removed upon request.
- (3) Safety comes first No object can interfere with job safety as viewed by the management of the Company.

3.12 HOUSEKEEPING

You must keep your immediate work area clean and orderly, and must contribute to maintaining a professional, clean and neat environment in our facility at all times.

3.13 **VISITORS**

All visitors must register at the reception area or security post and wear the assigned visitor's badge for the duration of the visit. You are responsible for making sure that your visitor is wearing a visitor badge, and that the visitor returns it upon leaving the Company. You must wear your I.D. badge whenever you are on Company premises.

3.14 SOLICITATION

3.14.1 Solicitation by Employees

You may not solicit, collect money, sell products or services, or post or distribute materials on Company property or during working hours without the advance approval of the Department Vice-President or above. This rule is not intended to curtail your free speech rights; it is intended to prevent disruption and to avoid undue pressure upon employees to make financial contributions.

3.14.2 Solicitation by Third Parties

Any person who is not an employee of the Company is prohibited from any and all forms of solicitation, collecting money, vending, and posting or distributing bills or pamphlets on Company property at all times.

3.15 BULLETIN BOARDS

We post information on the bulletin boards regarding employee rights, working conditions and hours, safety, Company policies, items of interest and other matters pertaining to your employment. You may post personal information or materials with the advance approval of a Director-level employee or above, who will tell you where the item can be posted and for how long.

3.16 <u>EMPLOYMENT REFERENCES</u>

We will respond only to written requests for information. We will provide only your dates of employment and positions held in response to requests for information about your employment with us. We will not provide salary history information to prospective employers. If you want any additional information released, you must give us written authorization to do so. Only Human Resources may respond to requests for employment information.

3.17 PERSONNEL INFORMATION AND FILES

We keep your name, home address, telephone number and personal e-mail address so that you can be reached in an emergency. You must keep this information updated with Human

Resources. Your contact information will not be released to anyone outside the Company without your written permission or unless required by law. Your personnel records also contain information related to your performance and any grievance related to your performance.

Only you, a representative authorized in writing by you, Human Resources, and authorized members of management have access to your personnel file. You or your representative designated in writing by you may review the contents of your personnel file in the presence of Human Resources or its designee, but you may not remove, alter or mark any document in your file. You, or a representative authorized in writing by you, are also entitled to receive copies of any document in your personnel file, although you may be required to pay for the cost of such copies.

Requests to review your personnel file or to receive copies of your file must be made in writing to Human Resources. Within 30 days of receiving the written request, your personnel file will be made available for inspection at a time and place designated by the Company. If you have requested copies of your file, those copies will be sent to you at the address you have designated within 30 days of receiving your written request.

3.18 PAYROLL INFORMATION

You may review your payroll records (including time records) in the presence of Human Resources or that person's designee within 21 days of making an oral or written request to Human Resources. You may also request copies of your payroll records, but you must pay the copying costs.

3.19 <u>USE OF VEHICLES ON COMPANY BUSINESS</u>

3.19.1 Personal Automobiles

You may not drive your personal automobile on Company business unless you have received prior written permission from your supervisor. You must provide us with a copy of a current valid California driver's license, proof of insurance for at least the California statutory minimums and a current DMV driving record report. These must be kept current during your employment.

We may revoke your right to drive your personal vehicle on Company business for any reason, including when you have a revoked or suspended driver's license, a moving violation or accident, or any situation that makes you uninsurable or insurable only at higher-than-standard rates. If driving your personal vehicle for Company business is necessary to perform your job duties and you lose your right to drive or we revoke your right to drive your personal vehicle on Company business, you may be terminated.

We will reimburse you for your mileage at the prevailing rate per mile set by the Internal Revenue Service. To receive mileage reimbursement, you must log your mileage and submit an expense report to your supervisor within 30 days.

We are not responsible for any damage, parking tickets, equipment violation citations or moving violations occurring while you are operating your personal vehicle on Company business.

- (1) All claims for reimbursement for mileage expenses must be submitted to your immediate supervisor within thirty (30) days, accompanied by the proper documentation to establish legitimate expenses.
- (2) Minimum insurance requirements as specified by the Company's insurance carrier may be required to be in effect at the time the employee's personal vehicle is used and the employee may be required to provide the appropriate proof of insurance.
- (3) An employee must not drive his or her vehicle or Company vehicles on Company business, unless doing so is part of their job responsibilities or they have received prior authorization from their supervisor to do so.
- (4) Employees shall not text or email while driving on Company business.
- (5) Employees shall observe all applicable safety and traffic laws, including those related to mobile phone use, while on Company business

3.19.2 Company Vehicles

You may be assigned a Company vehicle to drive on Company business. You must provide us with a copy of a current valid California driver's license, proof of insurance for at least the California statutory minimums and a current DMV driving record report. These must be kept current during your employment.

We may request an updated DMV driving record report at any time. We may also revoke your right to drive a Company vehicle for any reason, including when you have a revoked or suspended driver's license, a moving violation or accident, or any situation that makes you uninsurable or insurable only at higher-than-standard rates.

If driving a Company vehicle is necessary to perform your job duties and you lose your right to drive or we revoke your right to drive a Company vehicle, you may be terminated.

Company owned vehicle use rules:

- (1) Travel in Company vehicles for Company business must be approved by the Director of FBO Operations.
- (2) An employee must have a valid driver's license on file with Human Resources in order to operate Company vehicles.
- (3) No illegal substances will be aboard a Company vehicle at any time. No employee shall operate any Company vehicle while under the influence of alcohol, marijuana or illegal drugs or chemicals.
- (4) Employees shall not text or email while driving. Employees shall observe all applicable safety and traffic laws, including those related to mobile phone use.

This includes vehicles that may be leased by the Company as well as those vehicles that are Company owned.

3.19.3 <u>Use of Communication Devices While Driving</u>

Using a cell phone or similar communications device while driving creates a safety hazard for the driver and the general public. If you are driving a Company-owned or rental vehicle, or driving a personal vehicle on Company business, you must use a hands-free device with your cell phone or similar communications device to make and receive telephone calls while driving. Your use of a hands-free device must comply with California or other applicable law.

If you are driving a Company-owned or rental vehicle, or driving a personal vehicle on Company business, you may not write, send or read text messages, emails or instant messages using any cell phone or other electronic wireless communications device while driving.

If you are under the age of 18, you may not use your cell phone for any purpose while driving, even with a hands-free device.

In addition to disciplinary action, violations of this policy may result in personal liability as well as monetary fines imposed by California law enforcement authorities.

3.20 EMPLOYEE MEETINGS AND TRAINING

When you are required by the Company to attend a Company meeting, you will be paid for your time spent in the meeting, including any overtime that may result. You may also be invited to attend certain Company meetings which are not mandatory, and time spent in these optional meetings will not be compensated. If you are not required to attend a scheduled meeting, you may choose not to attend without fear of retaliation.

Training will be documented in the individual's training record maintained by that employee's Department Manager, the Director of Safety, or Human Resources, depending on the type of training conducted.

3.21 KITCHEN AND BREAK ROOM

We offer a kitchen and break room with a coffee maker, refrigerator/freezer and microwave oven for your convenience and comfort. In the spirit of cooperation and mutual respect, please clean up after your use of the kitchen by doing the following:

- Throw away garbage when you are finished eating
- Wipe the table off after you are finished eating
- Clean the microwave oven after using it
- Make a new pot of coffee if you take the last cup
- Wash your utensils, plates and cups after using them

• Clean spills off the counter and table

Every Friday, any dirty dishes left in the sink and anything perishable left in the refrigerator will be thrown away.

3.22 CONFLICTS OF INTEREST

We recognize your right to engage in lawful outside conduct during non-working hours away from our premises. However, a conflict of interest occurs when your private interests (or the private interests of your immediate family members) interfere with your job responsibilities. You must not place yourself or our Company in a position of conflict. If your lawful off-duty activities create a conflict of interest or prevent you from successfully performing your job duties, we will ask you to choose between terminating the off-duty conduct and resigning from your position with us.

3.23 **GIFTS**

You may not give or accept cash or gifts, loans, expensive entertainment or anything else that might be expected to influence your conduct with our customers and clients or their families, business associates, vendors or other persons providing goods or services to us, or other employees or independent contractors of our Company.

3.24 PUBLIC STATEMENTS AND THE MEDIA

We have designated the President as the sole spokesperson to represent our Company for public purposes. If the President is not available, inquiries may be directed to the Department Vice-President. You do not have the authority to make public statements to the media or other outsiders on behalf of our Company without the prior approval of the President. If you are contacted by a representative of the media (i.e., newspapers, magazines, radio, television, etc.), refer them to the President.

3.25 <u>BUSINESS EXPENSE REIMBURSEMENT</u>

We will reimburse you for business expenses incurred while performing your job duties for the Company. You may not incur business expenses without obtaining the prior written approval of your supervisor. To be reimbursed for business-related expenses, submit your receipts and proof of payment to your supervisor within 30 days of incurring the expense.

You will be reimbursed for your mileage at the prevailing IRS rate for business-related travel in your own vehicle, other than your initial commute to your first work location that day and your commute away from your last work location of the day at the end of your shift. You will also be paid for your time during a business-related commute, other than your initial commute to your first work location that day and your commute away from your last work location of the day at the end of your shift. You may be paid for a portion of your commuting time and/or mileage for your commute to and from work in exceptional circumstances where your temporary work location is farther away from your usual work location.

If the Company requires you to use a personal electronic device (cell phone, etc.) in order to perform your job duties for the Company, you will be reimbursed for that use up to \$75. See Human Resources for additional details.

A clear, honest, well-documented and organized expense policy is of vital importance to the Company. Due to this importance, every employee should be familiar with all aspects of the current expense policies. Any questions can be directed to their supervisor or the Department Vice-President.

Violations and/or any form of abuse in relation to these policies and standards will subject the employee to discipline, up to and including termination

3.26 TRAVEL EXPENSE REIMBURSEMENT

Travel expenses are defined by the Company as the costs incurred by employees who are traveling on official business of the Company. All travelers are expected to exercise prudent responsibility when spending Company funds. Travel on business should be conducted at the minimum cost for achieving the success of the mission. The traveler is expected to exercise the same care in incurring travel expenses that a prudent person would exercise if traveling at his/her own expense. All travel arrangements shall be made utilizing the most economical means available.

ALLOWABLE TRAVEL EXPENSES

Allowable transportation accommodations will include coach air fares for transportation, lodging, and sustenance (meals) utilizing the most economical fares possible.

PER DIEM

Per Diem allowances are provided for flight crew and maintenance technicians traveling on approved Company business. Contact Accounts Payable for the up-to-date allowance amount. All other personnel shall provide receipts for all travel expenses.

LODGING

Overnight accommodations will NOT be allowed within a 55-mile radius of work location. Employees can obtain the maximum room rates allowable for lodging from the Department Vice-President.

AUTOMOBILE RENTAL

The use of an automobile rental will be allowed when economically feasible and/or necessary to accomplish the travel mission. When conducting Company business, the traveler is not required to purchase automobile insurance on behalf of the Company as it is provided under the Company's automobile insurance policy. The Company will not reimburse the traveler if the traveler chooses to purchase excess car rental collision or personal injury insurance. Travelers shall fill the fuel tank of the rental car prior to returning the car to the rental company.

NOT ALLOWED EXPENSES

The following items are NOT reimbursable to the traveler:

- (1) Non-business telephone calls or non-business fax transmissions
- (2) In-room movies and entertainment
- (3) Expenses for personal travel while on a Company business trip
- (4) Internet fees

EXPENSE REPORTS

All expense reports (with appropriate receipts) must be approved by the department manager and submitted to the Accounting Department as soon as practical after return. The Accounting Department will review and verify all expense reports. Items submitted without supporting documentation will be disallowed. Items without proper support can be resubmitted to the Accounting Department accompanied by the necessary documentation or department manager approval.

TRAVEL ADVANCES

On occasion, an advance for travel may be provided upon written request approved by the department manager. The corresponding expense report is due within one (1) week of return from travel.

IV. HEALTH AND SAFETY

4.1 SAFETY

We are committed to the safety of our employees and our property and equipment. To this end, a Safety Management System will be utilized in the Company's daily activities. Your decisions should always be guided by the Company's commitment to safety. Should a hazardous situation or condition exist and a decision has to be made on safety or production, safety concerns should always take precedence over production. All questions concerning the reason for doing something in a certain manner may be asked of any member of management at any time.

It is the responsibility of each manager and supervisor to see that every employee at the Company is provided with safe working conditions, all safety regulations are observed and employees use good common sense to protect themselves as well as others. Management and supervisors will periodically inspect working conditions and may suspend all work activity until an unsafe condition is corrected. Disregard of any Company safety rule and regulation may result in disciplinary action up to and including termination of employment.

4.2 GENERAL SAFETY RULES

It is necessary that the Company establish safety rules and regulations; it is the responsibility of each employee to abide by the safety rules at all times. The most important part of safety is the employee himself. With regard to these rules, the following will be considered standard procedure for all employees:

- (1) Obey all company rules, signs, and marking instructions. Be familiar with those that apply directly to you.
- (2) Report all injuries to your supervisor immediately, regardless of how minor.
- (3) Be familiar with the various fire exits as shown on the fire exit diagram.
- (4) First aid supply kits are provided in the work area. It is the responsibility of the supervisors to see that the kits remain well stocked.
- (5) Know where the fire extinguishers are located and how to use them.
- (6) Do not block or cover fire extinguishers; these must be accessible.
- (7) Notify management of any and all unsafe conditions or equipment not in good working order immediately.
- (8) Wear department specific personal protective equipment at all times and keep protective equipment in good working condition.
- (9) Safety glasses and hearing protection will be used at all times while working when conditions require such.

- (10) Practice good housekeeping. Keep work areas, aisles, and stairways clean, free from trash and free from stumbling hazards, grease, etc.
- (11) Wear appropriate clothes and footwear.
- (12) Always apply proper lifting procedures; lift with your legs, bend knees, keep back straight, and get help for heavy loads.
- (13) No scuffling or horseplay on the job.
- (14) Walk, don't run.
- (15) Keep guards and protective devices in place at all times.
- (16) Use tools only for their intended purposes. Do not use tools or equipment that appears to not be in good working condition.
- (17) Do not perform functions outside of your department unless directed to by a supervisor and provided appropriate training to perform the task safely.
- (18) Do not repair or adjust machinery while it is in operation and never oil moving parts except on equipment fitted with safeguards for this purpose.
- (19) Avoid contact with chemicals, machines, etc., with which you are not familiar.
- (20) Do not operate or touch equipment or machinery you have not been trained on.
- (21) Do not open aircraft doors unless you have been certified to do so through the Company training program.
- (22) Attend safety meetings and follow guidelines taught in these meetings.

Other than these listed safety rules, each employee should make himself familiar with the work place and check if there are any additional special safety rules in the designated work area.

4.3 WORKERS' COMPENSATION

All employees are covered by our workers' compensation insurance, which covers occupational illnesses and injuries you suffer while performing your job duties on behalf of our Company. You are eligible for this coverage at no cost to you upon your first day of employment. Workers' compensation insurance provides weekly disability payments as well as payment for medical and hospital expenses for injuries or illnesses arising out of your job.

Regardless of the nature or severity, you must report all injuries incurred while on the job to your supervisor and Human Resources, as soon as possible under the circumstances. In case of serious injury, we may refer you to a physician or a hospital. You may not be eligible for benefits if your illness or injury is caused by your consumption of alcohol, marijuana or illegal drugs, or

arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not a part of your work-related duties.

You may not file a knowingly false or fraudulent claim, and you may incur criminal penalties for doing so. It is a felony to make a knowingly false or fraudulent material statement or representation to obtain Workers' Compensation benefits or payments.

You are entitled to an unpaid leave of absence during your recovery from a workplace illness or injury. For more information regarding this leave, see the Workers' Compensation Leave of Absence policy in this manual.

4.4 <u>HAZARDS</u>

You must immediately report any office hazards you may observe to the Director of Safety, and then to management. Office hazards may include sharp file cabinet edges, splintered desk edges or corners, broken chair casters, frayed electrical connections, loose flooring or ceiling tiles, or any other conditions likely to do bodily harm, damage clothing or constitute a fire hazard.

4.5 HAZARD COMMUNICATIONS PROGRAM

The Environmental Protection Agency has classified certain chemicals and chemical groups into categories, which have been classified as toxic. This means that in concentrated forms or by accumulating and combining with other chemicals (even with air), these chemicals can be hazardous to human health if exposure occurs.

Our Company uses or stores certain chemicals or cleaning agents in some of its operations. You should receive training and be familiar with the handling, use, storage and control measures relating to these substances if you will use or likely be exposed to them. Safety Data Sheets (SDS) are available for inspection. You must follow all labeling requirements.

The Company has established a Hazard Communication Program which is a component of the Safety Management System. The program identifies hazardous chemicals present in the workplace and governs how they will be maintained. Education and training will be provided to all employees who may be or potentially may be exposed to these chemicals. Please consult anyone on the safety team with questions or concerns.

As a company, we are committed to not creating or disposing of hazardous wastes, which will contaminate the environment. We will choose materials which have been judged as non-hazardous whenever possible, and properly dispose of hazardous materials if used. We also will not knowingly dump any wastes into the environment at any time.

4.6 INJURY AND ILLNESS PREVENTION

We have an Injury and Illness Prevention Program, which is separately issued to all employees. Every employee is responsible for observing safety rules and maintaining safe working conditions. We provide the best facilities and safest conditions possible, but being alert and using good common sense is essential in preventing accidents.

4.7 <u>COMMUNICABLE DISEASE CONTROLS</u>

The Company is dedicated to doing its part to protect the health and safety of applicants, employees, interns, customers, vendors and others associated with our business. As part of this commitment, the Company at times must make difficult decisions involving persons who have been, or who are believed to have a communicable disease. Communicable diseases include sicknesses like, Coronavirus (COVID-19), influenza, measles, Severe Acute Respiratory Syndrome (SARS), tuberculosis, or others identified by the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) or similar government agencies or civil authorities. Because safety and health can be severely compromised if an employee contracts a communicable disease and then has any contact with co-workers, interns, customers, vendors or others associated with our business, the Company takes communicable disease situations very seriously in all cases.

When facing a communicable disease situation becomes necessary, the Company is also committed to engaging in an interactive process with the affected person and medical professionals to ensure that all decisions are made based on current and well-informed medical judgments; while taking into account important considerations like, the risks of transmitting the illness to others, the symptoms or special circumstances of an individual situation. Please rest assured that we will not discriminate against any job applicant or employee based on the individual having a communicable disease.

If you have a communicable diseases, or you develop symptoms that you believe may be related to a communicable disease, please immediately notify Human Resources and/or Director of Safety so that we can appropriately address the situation with you confidentially. The Company will comply with all laws and regulations, and we will follow the best practices outlined by the CDC, the WHO and civil authorities, as well as make every reasonable effort to protect the privacy of any persons who have a communicable disease.

Depending on the circumstances, and in accordance with applicable law, the Company reserves the right to exclude a person with a communicable disease from the workplace, based on a medical determination, that such restriction is necessary to either protect the person with the communicable disease, or the health and safety of others employees or our customers. We may also require a fitness for duty examination where medically necessary or allowed by law. As well, we reserve the right to require a medical certification from a medical provider indicating that the person is no longer contagious, before that person will be allowed to return to the workplace. Other legally appropriate actions may also be taken in order to prevent any direct threat to the health and safety of any person in this regard.

4.8 FIRST AID

Report any injury requiring first aid or medical treatment to your supervisor and Human Resources. First aid supplies and personnel are available in Hangars 1 and 3, in the Line Service Shack and at Flight Operations for emergency treatment of minor injuries, but employees suffering major physical disorders or illness on Company premises will be taken to the nearest available emergency treatment facility. Medical clearance is required from management for any employee

who leaves the premises as a result of an occupational illness or injury. In case of emergency, dial 911 immediately.

4.9 <u>INCLEMENT WEATHER AND NATURAL DISASTERS</u>

We make every effort to remain open during most periods of inclement weather. In extraordinary circumstances of severe inclement weather, or in the event of a natural disaster such as a pandemic, earthquake, fire, or an explosion, the Company may be closed if our facilities are damaged, the highways or roads leading to the Company are damaged or closed, or the civic authorities require closure. If this occurs, the Company will make every effort to communicate with you in a timely manner regarding the closure. You may also reach out to Human Resources for instructions and information. As well, you are encouraged to monitor radio and television broadcasts regarding the inclement weather or disaster to monitor the situation. Pay issues will be evaluated on a case-by-case basis depending on the circumstances and in compliance with applicable law.

If the inclement weather or a natural disaster prevents you from safely traveling to or from work, contact Human Resources as soon as possible under the circumstances for instructions. For further information about what to do in emergency situations, please refer to the Company's IIPP, or our general emergency procedure information, which can be obtained from Human Resources.

4.10 <u>VEHICLE AND EQUIPMENT SAFETY RULES</u>

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using Company property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines. The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles can result in disciplinary action up to and including termination.

Please notify the supervisor if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

<u>Vehicle Safety Rules</u>- Employees may be asked to operate either their own or Companyowned vehicles as part of their job duties for the Company. In the course of such operation, employees are expected to exercise good judgment and safe driving practices at all times, including avoiding any activity which may distract their attention from the road or violate any law. The following activity will lead to discipline, up to and including termination:

- (1) Speeding, racing, or other reckless driving, ingesting alcoholic beverages, or use of a cell phone while operating a vehicle.
- (2) Excessive or avoidable traffic and parking violations.
- (3) Failure to use a seat belt in any vehicle, whether a driver or a passenger, on Company business.

(4) Employees who have "at fault" accidents while driving on Company business, even for a first accident.

Employees who use their own personal vehicles for business purposes must have their own automobile insurance. In such a case, the employee must provide the Company with proof of such insurance. The Employee must also advise the Company upon being informed of any change in his or her insurance status. Failure to comply with this policy may result in discipline, up to and including the termination of employment.

An employee must not drive his or her vehicle or Company vehicles on Company business, unless doing so is part of their job responsibilities or they have received prior authorization from their supervisor to do so. If an employee whose position involves any driving is unable to obtain or maintain a valid driver's license and/or obtain or maintain insurance coverage for his or her own vehicle, the Company shall determine whether the employee will be transferred to a non-driving position or terminated.

Forklift Safety Rules:

- (1) Forklifts are not to be operated by anyone other than those who have received formal training and have been certified through the Company forklift program.
- (2) Always check vehicle for proper brakes, lifting devices, steering, tires and horn, prior to operation. If you notice any peculiar performance, report this immediately.
- (3) Never drive with your forks raised. Do not travel with an elevated load under any circumstances.
- (4) When carrying a load, drive with the load behind you. This way, your vision is not obscured.
- (5) Do not handle loads that are overloaded or are not properly stacked.
- (6) Space your forks properly to maintain proper balance.
- (7) Know the capacity of your truck including maximum storage height and clearance.
- (8) Avoid fast starts, stops, and turns when carrying loads, as this will eliminate load dumping or shifting.
- (9) Never allow anyone to pass under a lifting load.
- (10) At no time are you to have passengers. No one is ever permitted to hang on to, sit next to, or ride with a forklift driver.

Only trained pilots and mechanics are allowed to open aircraft doors. Line Service employees who have been properly trained and that training is documented in their training file will be allowed to open doors on aircraft which they have been specifically trained. All other employees are not authorized or allowed to open aircraft doors. Training and authority to open

aircraft doors by employees outside of these job tittles must be approved by the Director of Maintenance or that person's designee prior to training and authorization being provided.

4.11 <u>SMOKING/USE OF TOBACCO</u>

We do not permit smoking (including "e-cigarettes" or vaporizers) or the use of tobacco anywhere inside the facility, in Company vehicles or within 25 feet of any entrance to the building or within 100 feet of any aircraft or fuel truck. If you are visiting off-site customer locations, you must observe the no smoking/no tobacco rules there. You may not chew or spit tobacco on Company premises or in Company vehicles. You may not discard cigarettes, tobacco or related materials on Company premises, except in designated receptacles.

4.12 SUBSTANCE USE AND ABUSE POLICY

We are committed to maintaining a safe, efficient and productive work environment. We also want all employees to perform their duties safely and efficiently, in a manner that protects their interests and those of their co-workers. We recognize that the use of alcohol, marijuana or unlawful drugs, as well as being under the influence of certain legal or prescription drugs, can be extremely disruptive and harmful to the workplace. It can adversely affect the quality of work and employee performance, pose serious safety and health risks to the user and others, and have a negative impact on work efficiency and productivity. For these reasons, we have a strict ZERO tolerance policy against the use or possession of drugs, marijuana or alcohol in the workplace. Every employee must comply with this policy at all times.

You must report for work fit to perform your job. You may not use or possess alcohol, marijuana or illegal drugs, or misuse legal or prescription drugs. If you need to take a prescription drug that could have any affect upon your ability to perform your job duties, you must discuss possible reasonable accommodations with your immediate supervisor, the Drug Program Manager or Human Resources during your use of that drug so that you are not working in an impaired state.

Possession or use of marijuana remains unlawful under federal law. Although California has legalized marijuana for medicinal and recreational purposes, the Company is not required to allow the medicinal or recreational use of marijuana in the workplace. Use or being under the influence of marijuana is strictly prohibited while on work time and may result in discipline, up to and including discharge. A California Medical Marijuana Identification Card is not sufficient to overcome these prohibitions. If you have a medical issue for which your doctor wants to prescribe marijuana, you may bring this to our attention and we will work with you to consider any available leave of absence or allow you to find another treatment method that does not cause you to be under the influence of marijuana while working for the Company. We will not accommodate an employee who has already violated this policy and is now subject to disciplinary action.

You may not use, possess, transfer, distribute, manufacture or sell alcohol, marijuana or any illegal drug while on our property, during on-call status, while operating a vehicle or potentially dangerous equipment owned or leased by the Company, while on duty or while representing the Company in any manner. You also may not report for work, begin work, or remain on duty or on on-call status while under the influence of or impaired by any illegal drug, marijuana or alcohol, or be sufficiently impaired by any legal or prescription drug that you would or could

create a danger in the workplace or your ability to perform the job could be inhibited in any way as a result of your use of that drug.

For purposes of this policy, a drug will be considered an "illegal drug" if its use is prohibited or restricted by law or if you improperly use or possess the drug, regardless of whether such conduct constitutes an illegal act. Being "under the influence" of alcohol, marijuana or any other drug means that a drug or alcohol test would detect the presence of the drug or alcohol in your body.

We will require you to undergo drug and/or alcohol testing at a laboratory designated and paid for by the Company, to test for the presence of drugs and/or alcohol and to agree in writing to allow the results of those tests to be furnished to and used by the Company, in the following circumstances:

- 1. Whenever we have a reasonable suspicion that you are under the influence of drugs or alcohol during work time (for example, when you exhibit slurred speech, erratic behavior, loss of balance and coordination or similar conduct or appearance).
- 2. If you are involved in an accident that causes damage to property or injury to persons and there is a reasonable possibility that your use of drugs and/or alcohol was a contributing factor.
- 3. If you work in a safety-sensitive job. If you hold such a job, you will be notified in writing if you are subject to random drug testing.

Refusing to be tested, interfering with the validity of the testing process and testing positive will be considered violations of this policy.

If you voluntarily request the opportunity to enter and participate in an alcohol or drug rehabilitation program, we will reasonably accommodate your request by granting a leave of absence for that purpose, provided that it does not impose an undue hardship on the Company. You may use accrued paid time off benefits during the leave of absence. We do not pay for the rehabilitation program. You must provide proof of attendance in the program. You are not eligible for a leave of absence if you are already subject to discipline or termination for a violation of this policy or any other Company policy.

There may be special circumstances, such as a trade show or Company sponsored function, when alcohol consumption while on duty or on Company property may be deemed acceptable. In certain instances, the Company may permit, provide or serve alcohol at Company-related events or on Company premises. Employees who use alcohol at Company events or on Company premises must appropriately limit their intake so as to avoid any unprofessional or prohibited conduct and to ensure the utmost safety and professional behavior. Employees who consume alcohol at a Company event or on Company premises should not drive a vehicle to any location after the event if their consumption would cause them to be impaired in any way, and should instead arrange for a designated driver or driver service before leaving the Company event or premises. Provision of alcohol or permission to consume alcohol at a Company event does not excuse, nor does the Company condone, any violation of Company policy or applicable law.

This policy does not supersede other Company policies or regulations that might have stricter standards. An employee whose job duties fall under a safety sensitive position or who are regulated by policies with stricter standards must adhere to the drug, marijuana, alcohol, and testing policies governing those positions. Sun Air Jets complies with the drug, marijuana and alcohol testing regulations of the Department of Transportation (DOT) (49 CFR part 40) and the Federal Aviation Administration (FAA) (14 CFR part 120). Any employee who tests positive on a drug, marijuana or alcohol test, or refuses to submit to testing, will be prohibited from performing safety-sensitive functions. Under FAA rules and regulations Sun Air Jets reserves the right, without prior notification, to facilitate random drug, marijuana and alcohol testing as required. Refer to the Sun Air Jets official DOT/FAA Drug and Alcohol Abatement Program for specific details on this policy and resulting regulations

4.13 **SECURITY**

All doors, files, desks, gates and any other equipment with locks must be kept locked securely when not in direct use and at the end of each day. Locks should be checked regularly. Company vehicles should be kept locked at all times. Employees should not allow any other person, Sun Air Jets employee or otherwise, to know or utilize access items such as passwords or passcodes uniquely assigned to them. Employees should not allow any other person, Sun Air Jets employee or otherwise, to possess or utilize access devices such as keys or cards assigned to them. Any lost access device such as keys or cards for any Company property, equipment, or facilities must be reported to a member of management immediately. Any concerns about security should be directed to Human Resources.

4.14 <u>VIDEO SURVEILLANCE</u>

Video cameras have been placed in strategic areas so that we can observe work flow and discover any security problems. Storage rooms, outside storage and other Company areas may also be monitored. Private offices, bathrooms, locker rooms and changing areas will not be monitored.

4.15 WORKPLACE VIOLENCE

We have a zero-tolerance policy for workplace violence. Acts or threats of violence, including intimidation, harassment and/or coercion that involve or affect Company personnel or that occur on Company property will not be tolerated and may result in legal action.

"Acts or threats of violence" include conduct that creates a hostile, abusive or intimidating work environment for Company personnel. It also includes acts or threats of violence occurring on Company premises between any individuals, involving any person acting on behalf of the Company in any location, or which impacts the Company's legitimate interests.

Specific examples of conduct that may be considered threats or acts of violence include the following:

• Hitting or shoving another person.

- Threatening to harm another person or that person's family, friends, associates or property.
- Intentional destruction or threat of destruction of Company property.
- Harassing or threatening phone calls.
- Unauthorized surveillance or stalking.
- Unauthorized possession or inappropriate use of firearms or weapons.
- The conviction of an employee or any other representative of the Company under any criminal code provision relating to violence or threats of violence.

Our prohibition against threats and acts of violence applies to all persons involved in our operations, including employees, independent contractors, contract and temporary workers, customers and anyone else on our property or interacting with our Company.

Report any threats or acts of violence to management immediately. State, federal or other laws may impose additional reporting obligations. In emergency situations dial 911 immediately.

4.16 WEAPONS

You are absolutely prohibited from using, possessing, selling or purchasing weapons or dangerous materials at any time on Company premises (including in your vehicle parked on Company property or in a bag, briefcase or purse you bring into the Company), during work hours, or while representing the Company or conducting Company business anywhere. In addition to disciplinary action, doing so may subject you to additional legal action.

If you observe that any person is in possession of a weapon or dangerous material on Company property or during Company activities, report it to management immediately. In emergency situations dial 911 immediately.

4.17 PETS IN THE WORKPLACE

Employees are generally prohibited from bringing pets onto Company premises without prior approval from Human Resources. Service animals will be accommodated in accordance with applicable laws, as well as mandated safety standards.

4.18 SUITABLE SEATING

We will provide you with access to suitable seating if the nature of your work reasonably permits the use of seats. If the nature of your work requires standing, we will provide an adequate number of suitable seats within a reasonable proximity to your work area. These seats are provided for your use when it does not interfere with the performance of your job duties.

V. PERFORMANCE AND CONDUCT

5.1 UNIFORMS

We will provide and maintain uniforms for you if they are required for your job position in the normal course of your employment. You must return all Company-provided uniforms at the end of your employment.

5.2 <u>DRESS CODE</u>

We expect you to report to work in clothing that is suitable to your position and your working environment. Clothing should be neat, clean, in good taste and should not constitute a safety hazard. In general, you are expected to use good judgment and to groom yourself in accordance with accepted industry standards. Consider your level of customer and public contact and the types of meetings they are scheduled to attend in further determining what attire is appropriate.

Office Staff

- Dress slacks, dresses, skirts
- Polo shirts
- Dress shirts and shirts with a collar
- Solid colored leggings and worn with dress or skirt

Customer Service Staff

• Customer Service Uniforms consists of a black jacket, black slacks or skirt, and a white shirt.

Maintenance Technicians

 Mechanics are permitted to wear jeans or pants along with the black, company-issued polo shirts; based on environmental conditions, they are also permitted to wear hats or caps.

Line Service Techs

Line service techs are to wear company provided uniforms; based on environmental conditions, they are also permitted to wear hats or caps.

Sun Air Jets wishes to provide a work environment that is free of safety hazards, offensive behavior and harassment. Therefore, the following items are not acceptable:

• Spandex, sweats, or work out attire;

- See-through and patterned leggings when worn as pants item
- Bare feet, flip flops, sandals, house slippers
- Pants or skirts worn below the waistline
- Shirts above the waistline, spaghetti strap and sleeveless shirts
- Short skirts and dresses that are more than 3" above the knee
- Blue jeans (except for maintenance technicians noted above)
- Hats, caps or beanies (except for maintenance technicians and line service technicians noted above)
- Sexually provocative clothing or the observable lack of undergarments and/or exposed undergarments
- Clothing showing excessive wear and tear
- Any clothing or accessories that would present a safety hazard

Company uniforms will be issued to employees as their job requires. The Company, at its own expense, will maintain the uniforms and be responsible for their replacement if, during the normal course of duty, they are damaged to such a degree that they can no longer be worn. You are responsible for maintaining the uniforms to the best of your ability. You may be held financially responsible for uniforms lost due to your gross negligence or for uniforms stolen or willfully destroyed by you.

You are expected to maintain clean and appropriate oral and bodily hygiene. Hair (including facial hair) should be clean and neat. Accessories should be moderate and businesslike and should not interfere with your work. The excessive use of perfume or cologne is unacceptable.

Supervisors are responsible for enforcing dress and grooming standards for their department. To assure a safe and appropriate working environment, we will actively monitor these dress standards. If you do not comply with these requirements, we may ask you to leave work and return in proper attire, and you will not be paid for this time. We reserve the sole discretion at all times to determine whether your attire is appropriate for the workplace.

Nothing in this policy is intended to interfere with your religious dress or grooming practices, protective hairstyles, or any dress or grooming practices related to your sex, gender, gender identity or gender expression. If these requirements impact your religious dress or grooming practices, protective hairstyles, or any dress or grooming practices related to your sex, gender, gender identity or gender expression, or if you require alternative dress or grooming practices related to a disability, please see Human Resources to discuss a reasonable accommodation.

5.3 <u>LEGAL AND ETHICAL BUSINESS CONDUCT</u>

You must conduct your business affairs with such standards of integrity that no conflict of interest exists or can be reasonably implied or construed. The following paragraphs set forth legal and moral restrictions with respect to legal and ethical business conduct. The following actions and conditions are specifically prohibited, but are not intended to enumerate all actions or situations, which might be avoided. Also, the following does not in any way alter the at-will nature policy of employment with the Company. Unless the employee has prior approval from the Department Vice-President level of management of above, no employee shall:

- 1. Have any direct interest in any company which competes with the Company, which sells or supplies to, or buys from the Company any products or property, or which furnishes any service to the Company;
- 2. Borrow money or accept advances or other personal payments or gifts or entertainment from any company or firm (or any person acting directly or indirectly for any company or firm) which has transactions with the Company as described above;
- 3. Enter into any transaction or acquire any interest or take any action, which, is directly contrary to the essential business interest of the Company or is incompatible with loyalty and obligation inherent to their employment.

The foregoing prohibitions apply not only to the employee personally, but also to the employee's spouse and dependent minor children or registered domestic partner.

Any situation involving a possible conflict of interest, which arises in relation to the above outlined policies, must be brought to the attention of the Department Vice-President level or above.

5.4 RULES OF CONDUCT

It is important to us that all employees maintain proper standards of conduct and observe certain rules to ensure the orderly and efficient operation of our Company. Complying with Company rules does not guarantee continuing employment, because all employees are employed at will. However, employees who do not comply with Company policies, rules and directives will be disciplined or terminated.

It would be impossible to list all possible infractions that may lead to discipline, and we will discipline or terminate employees for any reason we deem necessary and appropriate. Some examples of misconduct warranting disciplinary action or termination include:

- Sexual or other harassment, bullying, retaliation or discrimination of any kind, against another employee or anyone else affiliated with the Company.
- Theft, misappropriation, or unauthorized possession, removal or use of property, equipment, materials, documents or records belonging to the Company, a Company customer or another employee.

- Damaging property or materials belonging to the Company, a Company customer or another employee.
- Violating security, safety or fire prevention rules or regulations.
- Engaging in any conduct that creates a safety hazard, or creating or contributing to unsanitary conditions by poor housekeeping.
- Smoking or vaping in unauthorized areas.
- Unauthorized possession of a weapon or other dangerous materials on Company premises or while representing the Company.
- Gambling or loan sharking on Company premises or by using Company resources.
- Using or possessing alcoholic beverages, marijuana, or illegal narcotics or drugs on Company premises, in Company vehicles or in vehicles being driven on Company business or while representing the Company, or reporting to work under the influence of intoxicants or drugs (whether unlawful or not) that interfere with job performance, or misusing prescription or other lawful drugs.
- Misuse, falsification or alteration of any employment or Company reports or records, such as job applications, medical or employment history, personnel records, pay records, time records, customer or vendor documents, absence or illness reports, accident reports or injury claims.
- Insubordination or refusal to follow management instructions, or refusal or unwillingness to accept a job assignment or to perform job requirements.
- Failure to observe scheduled work hours, failure to provide proper notice of absence, failure to report to work when scheduled, unauthorized or excessive absences, excessive tardiness, abuse of leave benefits.
- Leaving Company premises without permission during regularly-scheduled work hours, unauthorized absence from your assigned work area during regularlyscheduled work hours, or leaving the premises without recording your departure on your time records.
- Working unauthorized overtime, working off the clock or being on Company premises when you are not scheduled to work.
- Sleeping, loitering, wasting time or interfering with the work of others during regular work hours.
- Engaging in personal calls, text messaging, instant messaging, social media activity
 or other non-work activities during work hours, or taking excessive break time to
 do so.

- Gossiping, bullying others, defaming other personnel or our Company, disrespectful or rude treatment of others.
- Rude, discourteous or unprofessional behavior, creating a disturbance on Company premises or creating discord with customers, fellow employees or other Company representatives, use of profanity or abusive language, striking or hitting another employee.
- Unlawful conduct impacting our Company in any manner, whether committed on or off the job.
- Conduct on or off Company premises which adversely affects the Company's services, property, reputation or goodwill in the community, or interferes with job performance.
- Obtaining confidential information pertaining to the Company or to the customers, employees or other representatives of the Company without authorization to do so.
- Divulging confidential or proprietary information or trade secrets to any person or entity except in the course of performing duties as an employee of the Company and with the Company's consent.
- Failure to report an injury, illness or accident (including a workers' compensation injury or illness), failure to report harassment or failure to report unsafe conditions in the workplace.
- Taking or giving bribes or gifts of any nature as an inducement to obtain special treatment, to provide confidential information or to obtain a position or benefit.
- Entering or leaving Company premises or removing any Company information or materials at any time without authorization.
- Refusal to execute Company documents or participate in Company investigations required as a condition of employment.
- Any violation of these policies, or of any rule, practice, procedure, policy or management directive set or stated by the Company at any time.

5.5 DISCIPLINE

Our intent is to implement discipline as a corrective action and as an instrument for improvement, rather than as punishment, whenever possible. We administer disciplinary action as we deem necessary in each individual case, based upon the circumstances at hand.

Disciplinary action may include verbal counseling or warning, written counseling or warning, probation, performance improvement periods, demotion, administrative leave, suspension or termination. These disciplinary methods may be used at any time, in any order, and

we may skip or repeat various forms of discipline in our sole discretion. This policy is not a promise or guarantee that a specific course of discipline will be administered in any case or in every case, or that any lesser form of discipline will be implemented prior to termination.

Our use of any particular form of discipline or decision whether or not to impose discipline in any particular case does not change your at-will employment relationship with the Company.

In the event you are suspended from work for disciplinary reasons, benefits will not accrue nor will benefits be recoverable during the suspension period.

5.6 **OPEN-DOOR POLICY**

Suggestions for improving our policies, practices and procedures are always welcome. At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your complaints, questions, and suggestions are important to us.

If you have an issue that concerns you, please talk to your supervisor or any member of the management team. If you feel that your concern has not received appropriate attention, please raise the issue with another member of management. Although the Company requests that you first approach your immediate supervisor; if you are uncomfortable with that process or unsatisfied with the results you can also speak directly with Human Resources, the Department Vice-President, or the President. This policy includes reporting of harassment, bullying, discrimination, retaliation, safety issues, or payroll practices.

We cannot guarantee that every problem will be resolved to your satisfaction. However, we value your observations and you should feel free to raise issues of concern, in good faith, without fear of retaliation.

VI. ARBITRATION

We are committed to maintaining a work environment where employees are treated fairly and in compliance with all applicable laws. However, there may be times during or after your employment when you believe that you have a legal claim arising from your employment with the Company. In that case, it is in our mutual best interests to have that dispute resolved fairly and expeditiously.

We believe that the best way to do so is to arbitrate any claims you may wish to pursue. Binding arbitration is typically a less costly and more efficient manner of resolving disputes. You and the Company are each responsible for paying your own legal fees; however, when you submit your claim to binding arbitration, we pay the arbitration fees associated with that claim.

For these reasons, we ask that you agree to submit any claims arising from your employment with the Company to final and binding arbitration whenever possible under the law by signing our Arbitration Agreement.

VII. CONCLUSION

In this employee manual, we have given you an outline of our major policies, procedures and benefits. If you have questions about the material covered in this manual or about anything concerning your employment with us, please discuss these questions with your supervisor or Human Resources.

Again, welcome to our Company. We look forward to working with you!