

**Callan Management Co., Inc.
dba Western Area Security Service,
Inc.**



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Burbank, California 91505

EMPLOYEE HANDBOOK

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INTRODUCTION

WELCOME

DESCRIPTION OF EMPLOYEE HANDBOOK

This Employee Handbook (“Handbook”) contains information about the employment policies and practices of the Company. The Company expects each employee to read this Handbook carefully as it is a valuable reference for understanding their job and the Company. This Handbook supersedes all previously issued Employee Handbooks and inconsistent verbal or written policy statements. Except for the policy of at-will employment, which can only be changed by the Owner of the Company, (the “Owner”), in a signed writing, the Company reserves the right to revise, delete, and add to the provisions of this Handbook. All such revisions, deletions, or additions must be in writing and must be signed by the Owner. No oral statements or representations can change the provisions of this Handbook.

Nothing contained in this Handbook shall be construed as constituting a contract or as creating any contractual obligations on the part of the Company. None of the Company's personnel documents or benefit plans, including this Handbook, constitutes, or is intended to constitute, an express or implied contract guaranteeing continued employment for any employee. No supervisor has any authority to enter into a contract of employment--express or implied--that changes or alters the at-will employment relationship. Only the Owner has the authority to enter into an employment agreement that alters the at-will employment relationship, and any such agreement must be in writing and signed by the Owner.

Not all Company policies and procedures are necessarily set forth in this Handbook. The Company has only summarized some of the key policies. Since this Handbook is only a guide, it is not possible for this Handbook to include instructions covering all situations which might arise in the course of the employee's duties. Where instructions are not provided, or if an employee has questions about what is expected of the employee, please feel free to discuss them with a supervisor, manager or the Corporate Office. The Company is proud of its “open door” policy and wants each new employee to know that the door is always open for discussion on any issue.

This Handbook applies to all employees and as such everyone should read it. There may be additional portions (“Addendums”) to the Handbook which apply to specific positions and need to be read only by the employees hired for, or promoted to, those positions. If an employee transfers to another position the employee is required to review and become familiar with the Addendum to the Handbook that applies to their position. Supervisors and other staff may be governed by or called upon to enforce overlapping Handbook and Addendum provisions and should read all of them, to be familiar with all aspects of Company operations.

The Company takes great pleasure in bringing employees on board and presenting them with this Handbook. If any employee has questions or requires clarification regarding their employment or any provision of this Handbook, please feel free to contact a supervisor or the Corporate Office.

It is the Company's hope that all employees' employment with the Company will bring personal happiness and growth. Again, welcome to the Company.

GENERAL EMPLOYMENT POLICIES

SECTION 1: EMPLOYMENT RELATIONSHIP

1.1. At-Will Employment

While the Company hopes that all employees' employment will prove mutually satisfactory, please understand that continued employment cannot be guaranteed for any employee. No permanent employment or employment for any term is intended or can be implied from any statements in this Handbook. Employment at the Company is "at-will". This means that employees are free to leave their employment at any time, with or without cause or notice, and the Company retains the same right to terminate an employee's employment at any time, with or without cause or notice.

This policy of at-will employment may be changed only by a written employment agreement signed by the Owner that expressly changes the policy of at-will employment. Nothing in this Handbook or in any other document or statement shall limit the right to terminate employment at-will. No manager, supervisor, or employee of the Company has any authority to enter into any agreement for employment for any specified period of time or to make any agreement for employment other than at-will. Only the Owner has the authority to make such an agreement and then only in writing.

With the exception of employment at-will, terms and conditions of employment with the Company may be modified at the sole discretion of the Company with or without cause or notice at any time. No implied contract concerning any employment-related decision or term, or condition of employment can be established by any other statement, conduct, policy, or practice. Examples of the types of terms and conditions of employment that are within the sole discretion of the Company include, but are not limited to, the following: promotion; demotion; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoff or recall; rules; hours and schedules; work assignments; job duties and responsibilities; production standards; subcontracting; reduction, cessation, or expansion of operations; sale, relocation, merger, or consolidation of operations; determinations concerning the use of equipment, methods, or facilities; or any other terms and conditions that the Company may determine to be necessary for the safe, efficient, and economic operation of its business.

1.2. Equal Employment Opportunity Employer

The Company is an equal opportunity employer and makes employment decisions on the basis of merit. It does not unlawfully discriminate against qualified applicants or employees with respect to any terms or conditions of employment based on race, including hairstyles associated with race, color, national origin, ancestry, sex, gender, transgender status, gender identity, gender expression, age, sexual orientation, religion or creed, including religious dress and grooming practices,

physical or mental disability, requesting accommodation for disability or religious beliefs, medical condition, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, citizenship status, military or veteran status, genetic characteristics or information, or any other basis protected by applicable federal, state, or local law. Equal employment opportunity will be extended to all persons in all aspects of the employer-employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall and termination.

1.3. Immigration Law Compliance

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

Federal law requires all employers to verify each new employee's identity and legal authority to work in the United States. All offers of employment are conditioned upon the receipt of satisfactory evidence of an employee's identity and legal authority to work in the United States. In compliance with the Immigration Reform and Control Act of 1986 (IRCA), each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility, no later than 3 business days after the employee begins work. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three years of their date of rehire, or if their previous I-9 is no longer retained or valid.

All offers of employment are contingent upon a new or rehired employee fully complying with the IRCA by providing proper identification as required by law. Absent exigent circumstances, failure to do so will result in immediate revocation of any offer of employment, or if employed, immediate termination.

1.4. Disability Accommodation

The Company is committed to complying with all applicable state and federal laws, including the Americans with Disabilities Act, the Americans with Disabilities Act Amendments Act, and the Fair Employment and Housing Act. In accordance with applicable federal and state law protecting qualified individuals with known disabilities, the Company will attempt to reasonably accommodate those individuals unless doing so would create an undue hardship on the Company. Further, the Company will not retaliate or otherwise discriminate against an individual for requesting accommodation for their disability.

Any qualified applicant or employee with a disability who requires an accommodation in order to perform the essential functions of the job should contact the Corporate Office and request such an accommodation. The Company will engage in the interactive process with the individual to determine if there is a reasonable accommodation that may be provided to enable the employee to

perform the essential functions of the position or to identify a different position that the individual might perform with or without accommodation, to the extent that doing so would not create an undue hardship for the Company. The individual with the disability should specify what accommodation the employee needs to perform the job, including any restrictions recommended by their medical provider. The Company will review the request and will identify possible reasonable accommodation(s), if any, that will allow the individual to perform the essential functions of the job. If there is more than one reasonable accommodation that will not impose an undue hardship, the Company will identify and select the accommodation(s) that will be made for the applicant or employee.

In addition, to the extent required by law, all provisions of this Handbook are subject to modification as necessary as a reasonable accommodation for a qualified applicant or employee with a known disability, provided that the modification is reasonable and does not impose an undue hardship on the Company.

If an employee feels the Company has not provided them a reasonable accommodation that does not result in an undue hardship on the Company, the employee should provide a complaint, preferably in writing, to their supervisor, any member of management, or the Owner of the Company as soon as possible after forming the conclusion that the employee has not been properly accommodated. The complaint should include the details of the situation, the names of the individuals involved and the names of any witnesses, and any documentary evidence (notes, etc.).

No Retaliation

Individuals will not be retaliated against for requesting an accommodation in good faith. The Company expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith.

The Company is committed to enforcing this policy and prohibiting retaliation against employees and applicants who request an accommodation in good faith. However, the effectiveness of the Company's efforts depends largely on individuals telling the Company about inappropriate workplace conduct. If employees or applicants feel that they or someone else may have been subjected to conduct that violates this policy, they should report it immediately to the Corporate Office. If employees do not report retaliatory conduct, the Company may not become aware of a possible violation of this policy and may not be able to take appropriate corrective action.

1.5. Religious Accommodation

If an individual believes they need an accommodation because of their religious beliefs or practices, religious observance or dress, or lack thereof, they should request an accommodation from the Corporate Office. The individual may make the request orally or in writing. The Company encourages employees to make their request in writing and to include relevant information, such as:

- 1) A description of the accommodation being requested.
- 2) The reason the individual needs an accommodation.
- 3) If there is a conflict between the employee's religious beliefs or practices or lack thereof and one or more of the employee's work requirements, then how the accommodation will help resolve this conflict.

After receiving the employee's oral or written request, the Company will engage in a dialogue with the employee to explore potential accommodations, and if applicable, whether the accommodations could resolve the conflict between the employee's religious beliefs and practices and one or more of the employee's work requirements. The Company encourages employees to suggest specific reasonable accommodations that employees believe would resolve any such conflict. However, the Company is not required to make the specific accommodation requested and may provide an alternative, effective accommodation, to the extent any accommodation can be made without imposing an undue hardship on the Company.

Supporting Information

The Company may ask employees to provide additional information about the employee's religious practices or beliefs and the accommodation requested. If the employee fails to provide the requested information, the request for an accommodation may be denied.

Determinations

The Company makes determinations about religious accommodations on a case-by-case basis considering various factors and based on an individualized assessment in each situation.

The Company strives to make determinations on religious accommodation requests expeditiously and will inform the individual once a determination has been made. Any questions about an accommodation should be directed to the Owner of the Company.

No Retaliation

Individuals will not be retaliated against for requesting an accommodation in good faith. The Company expressly prohibits any form of discipline, reprisal, intimidation, or retaliation against any individual for requesting an accommodation in good faith.

The Company is committed to enforcing this policy and prohibiting retaliation against employees and applicants who request an accommodation in good faith. However, the effectiveness of the Company's efforts depends largely on individuals telling the Company about inappropriate workplace conduct. If employees or applicants feel that they or someone else may have been subjected to conduct that violates this policy, they should report it immediately to the Owner of

the Company. If employees do not report retaliatory conduct, the Company may not become aware of a possible violation of this policy and may not be able to take appropriate corrective action.

1.6. Lactation Accommodation

The Company will reasonably accommodate an employee who wishes to express breast milk at work. Employees who wish to express breast milk while at work should request an accommodation in writing to the Owner of the Company. The Company will respond to an employee's request in writing. The Company will provide eligible employees with a private area, free from intrusion, other than a bathroom, in close proximity to the employee's work area to express breast milk. Where an employee has a private office, it may be used for that purpose. Such space will meet the requirements of the California Labor Code, including a surface to place a breast pump and personal items, a place to sit, access to electricity, a sink with running water, and refrigeration to store breast milk.

Employees can exercise this right during their normally scheduled break periods, and if needed, employees will be provided additional reasonable break time to express milk. Non-exempt employees must clock out for any additional breaks needed, as they will be unpaid.

An employee must provide her own lactation equipment. An employee must inform her direct supervisor when she will be away from her duties. The Company reserves the right to deny, in writing, an employee's request for a lactation break beyond reasonable break time if the additional break time will seriously disrupt operations. Employees have the right to file a complaint with the California Labor Commissioner for any violation of rights provided under Chapter 3.8 of the California Labor Code regarding lactation accommodation.

1.7. Requests for Medical Certification

In the event the Company requests any type of medical certification and/or information from an employee, the following is notice to the employee that the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. "Genetic Information" as defined by GINA, includes an employee's family medical history, the results of an employee's or family member's genetic tests, the fact that an employee or an employee's family member sought or received genetic services, and genetic information of a fetus carried by an employee or an employee's family member or an embryo lawfully held by an employee or family member receiving assistive reproductive services. The Company will not discriminate against any employee on the basis of their genetic tests, the genetic tests of that employee's family members, or the manifestation of a disease or disorder in family members of the employee.

SECTION 2: COMMENCING EMPLOYMENT

2.1. California Consumer Privacy Act Compliance

As the employer, the Company collects data on job applicants and employees solely for employment purposes. The Company has physical and electronic security measures in place to safeguard this information. If the California Consumer Privacy Act is applicable to the Company, all job applicants will be provided a notice entitled “California Privacy Rights Notice for Job Applicants.” In addition, all current employees will be provided with a similar notice. If employees have any questions regarding this policy, please contact the Corporate Office.

2.2. Background Checks

The Company recognizes the importance of maintaining a safe workplace with employees who are honest, trustworthy, qualified, reliable, nonviolent, and do not present a risk of harm to their co-workers or others. For purposes of furthering these concerns and interests, the Company reserves the right to investigate an individual's prior employment history, personal references, and criminal and educational background, as well as other relevant information that is reasonably available to the Company to the extent permitted by law. The Company complies with the requirements of the California Fair Chance Act with respect to criminal background checks in employment.

Additionally, the Company relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the Company's exclusion of the individual from further consideration for employment, or, if the person has been hired, termination of employment.

To ensure that individuals who join the Company are well-qualified and have strong potential to be productive and successful, it is the policy of the Company to check the employment references of all applicants, to check for the existence of a criminal history, check for applicable licenses, and to check a potential employee's credit history in compliance with state and federal law. For security officer employees, such background checks are in addition to any similar checks performed when the employee obtained their security officer registration (“guard card”).

2.3. Introductory Period

All new, promoted and rehired employees are required to serve an introductory period for the first ninety (90) calendar days of their active employment (“Introductory Period”). The purpose of the Introductory Period is to provide employees with the opportunity to become adjusted in their new position, also, for the employees to get to know the Company, and for the Company to work with the employee and evaluate their performance. The Company reserves the right to extend or shorten this period whenever it deems such an extension is appropriate in its sole discretion. Completion of the Introductory Period does not entitle an employee to remain employed by the Company for

any definite period of time, but rather allows both the employee and the Company to evaluate whether or not the employee is right for the position. The Introductory Period is an evaluation period and does not supersede at-will employment, both during and after the introductory period. All personnel policies, work rules, and standards of conduct apply to employees during their Introductory Period.

During the Introductory Period, employees are not entitled to any benefits (including but not limited to vacation time and sick time), unless expressly stated otherwise in this Handbook or required by law.

This Introductory Period does not alter or limit the Company's policy of employment at will. Either the employee or the Company may terminate the employment relationship at any time for any reason, with or without cause or notice.

At the end of the Introductory Period, if the employee's work performance is satisfactory, the status will be changed to that of a regular full-time or regular part-time employee.

2.4. Employment Status

Employees at the Company are classified as full-time non-exempt, part-time non-exempt, or exempt.

- 1) **Full-Time Non-exempt Employees:** For all purposes other than health insurance coverage, full-time non-exempt employees are those who are normally scheduled to work and who do work a schedule of 40 or more hours per week. Full-time non-exempt employees, for purposes of health insurance coverage only, are those employees who are normally scheduled to work and who do work a schedule of 30 or more hours per week. Full-time non-exempt employees are eligible for the employee benefits described in this Handbook.
- 2) **Part-Time Non-exempt Employees:** For all purposes other than health insurance coverage, part-time non-exempt employees are those who are scheduled to and do work less than 40 hours per week. Part-time non-exempt employees, for purposes of health insurance coverage only, are those employees who are scheduled to work and who do work less than 30 hours per week. Part-time non-exempt employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time employees will enjoy those benefits specifically required by law, provided they meet the minimum requirements set forth by law and in the benefit plans.
- 3) **Exempt Employees:** Exempt employees are those whose job assignments meet the legal requirements for overtime exemption. Exempt employees are compensated on a salary basis and are not eligible for overtime pay, nor are they required to receive the meal and

rest breaks provided for non-exempt employees. Generally, executive, administrative, professional, and certain outside sales employees are overtime exempt. Exempt employees are eligible for the employee benefits described in this Handbook. The employee's supervisor will inform the employee if the employee's status is exempt.

2.5. Job Duties

During the Introductory Period, the employee's supervisor will explain to the employee the job responsibilities and the performance standards expected of the employee. An employee's job responsibilities may change at any time during their employment depending on the circumstances and work requirements. From time to time, the employee may be asked to work on special projects or to assist with other work necessary or important to the operation of the Company. The employee's cooperation and assistance in performing such additional work is expected. Non-exempt employees are paid for all hours worked without exception.

2.6. Conflicts of Interest

The Company expects its employees to devote their full work time, energies, abilities and attention to its business. Moreover, employees are expected to use good judgment, to adhere to high ethical standards, and to avoid situations that create an actual or potential conflict between their personal interests and the interests of the Company. A conflict of interest exists when, while still employed by the Company, the employee's loyalties or actions are divided between the Company's interests and those of another, such as a competitor, supplier, or customer. Both the fact and the appearance of a conflict of interest should be avoided. Employees are expected to avoid situations that create an actual or potential conflict between the employee's personal interests and the interests of the Company. Employees who are unsure whether a certain transaction, activity, or relationship constitutes a possible conflict of interest should discuss it with the Corporate Office or a member of management for clarification. The Owner must approve any exceptions to this guideline in writing.

The Company is engaged in a variety of activities that have the common goal of promoting its business and the business interests of its clients. The Company values its relationships with its employees and clients and often such relationships have developed only after significant effort on behalf of the Company. In order to preserve these relationships, all employees must comply with the Company's conflict of interest policy.

The Company expects that its employees will be loyal during and after their employment. Accordingly, the Company requires that all employees comply with the following, subject to all applicable federal, state, and local laws:

- 1) Employees have an ethical and legal responsibility to promote the Company's best interest. Employees shall not engage in any conduct or activities that are inconsistent with the Company's best interests or that in any manner disrupts, undermines, or impairs the

Company's relationships with any client or prospective client or any outside organization, person or entity with which the Company has or proposes to enter into an arrangement, agreement, or contractual relationship of any kind.

- 2) By accepting the Company's offer of employment, employees agree that, both during and after their employment with the Company, they will not interfere with any relationship between the Company and any employee, consultant, representative, client or any outside organization with which it has or proposes to enter into a contractual relationship, arrangement, or program.
- 3) During their employment with the Company, Employees may not engage in any outside activity or accept work in any outside position that either interferes with their ability to devote their full and best efforts to the duties at the Company or raises an actual or potential conflict of interest or the possible appearance of a conflict of interest. Employees who have any questions whatsoever regarding this policy or the potential impact of outside employment or outside activities on their position should contact the Corporate Office before accepting any outside position or engaging in such an activity.
- 4) The Company reserves the right to determine that other relationships that are not specifically covered by this policy represent actual or potential conflicts of interest. In any case where the Company determines, in its sole discretion, that a relationship between an employee and a non-employee or an employee and an outside organization or individual presents an actual or potential conflict of interest, the Company may take whatever action it determines to be appropriate to avoid or prevent the continuation of the actual or potential conflict of interest. Such action may include, but is not necessarily limited to transfers, reassignments, changing shifts or responsibilities, or, where it deems such action appropriate, disciplinary action up to and including immediate termination.

Failure to adhere to these guidelines, including failure to disclose any potential conflict or to seek an exception, may result in disciplinary action, up to and including termination of employment.

2.7. Rehired Employees

Employees who are rehired following a break in service in excess of one month other than during an approved leave of absence, unless otherwise agreed to in writing by the Owner, are considered new employees from the effective date of their re-employment for all purposes, including the employment application process and measuring benefits, except as otherwise required by law.

2.8. Minors

Minors will not be permitted to work unless they are legally able to do so under all applicable state and federal laws.

Supervisors must make certain that minors work only in accordance with the terms of the work permit and the applicable state and federal rules. Supervisors will be subject to disciplinary action, up to and including immediate termination, if they schedule or permit minors to work in a manner that violates any applicable legal standards.

2.9. Employment of Relatives

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Although the Company has no specific prohibition against hiring relatives of existing employees, it is committed to monitoring situations in which relatives work in the same area. In case of actual or potential problems, the Company will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved.

“Relatives” include an employee’s spouse or domestic partner, parent or grandparent, children, children of the employee’s domestic partner, siblings, brothers and sisters-in-law, fathers and mothers-in-law, step-parents, and step relationships. This policy also applies to individuals who are not legally related but who reside with another employee.

Employees are not permitted to bring any of their family members to the job site while on duty.

2.10. Non-Fraternization

The Company wishes to avoid misunderstandings, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can result from certain other relationships between employees. While the Company recognizes that personal relationships among employees may develop, they cannot be permitted to negatively impact the business. Accordingly, all employees, both management and non-management, are discouraged from fraternizing or becoming romantically involved with other employees or clients when, in the opinion of the Company, their personal relationships may create a potential conflict of interest, cause disruption, create a negative or unprofessional work environment, jeopardize a client relationship, or present concerns regarding supervision, safety, security or morale.

Fraternization includes activity while employees are on their own time or at work. This policy includes, but is not limited to, relationships between junior personnel and/or senior personnel.

Fraternization may take the following forms:

- 1) Dating between employees, or between employees and clients or contractors.
- 2) Attending social situations together such as parties, client events, informal gatherings, etc.

- 3) Performing special favors for a person.
- 4) Having a working relationship with another employee that is too familiar and personal.

Employees who believe they may be engaging in personal relationships outside the bounds of ordinary professionalism are required to report any such relationships, including the nature and duration of the relationship, to Owner. Failure to timely report such a relationship may result in disciplinary action, up to and including termination of employment. The Company shall, in its sole discretion, make a determination as to any necessary changes to the work relationship or environment that may be impacted by the relationship. Relationships which expose the Company to additional risk due to their inappropriate nature may subject the employees to disciplinary action, up to and including termination of employment.

All employees should remember to keep appropriate social boundaries at all times. Any questions about what fraternization is should be addressed to the employee's immediate supervisor or to the Corporate Office.

All employees should also remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment. Dating between supervisors and subordinates is strongly discouraged.

SECTION 3: PAYROLL POLICIES

3.1. Working Hours and Schedule

The working hours and schedule for an employee varies, depending on the employee's department. The Company's workweek starts on Monday at 12:00:00am and continues through the following Sunday at 11:59:59pm. The workday runs from 12:00:00am through 11:59:59pm each day.

At times, emergencies such as power failures, road closings, earthquakes, fires, or severe weather may interfere with the Company's operations. In such an event, the Company may order a temporary shutdown of part or all of its operations. Depending on the circumstances and legal requirements, time off may or may not be paid.

Work hours are negotiated with customers and within departments to ensure that there is no interference with the completion of work for each particular department activity. If an employee would like to change their work hours, the employee should discuss this request with their supervisor.

3.2. Equal Pay Policy

The Company prohibits pay discrimination on the basis of sex, race, ethnicity, or any other legally protected characteristic. Employees who perform substantially equal work will be paid at the same

rate regardless of their sex, race, ethnicity or other protected characteristic, except where differences in pay are based on:

- 1) A seniority, merit, or incentive system;
- 2) A system that measures earnings by quantity or quality of production; or
- 3) Any factor other than an employee's sex.

This Policy covers jobs that require substantially equal skill, effort, and responsibility and are performed under similar working conditions. Furthermore, the Company will not rely on an applicant's salary history information to determine whether to offer employment to an applicant or to determine compensation.

If an employee believes that they have been discriminated against in violation of this Policy, they should immediately report their concerns to the Corporate Office so that the Company may address these concerns immediately. The Company will not discharge, or in any manner discriminate or retaliate against, any employee that makes a report pursuant to this Policy, or to report a violation of Labor Code sections 432.3 or 1197.5.

3.3. Rest Breaks

Non-exempt employees are authorized and permitted to take uninterrupted, paid rest breaks based on their total hours worked daily at a rate of ten (10) minutes rest time for every four (4) hours of work or major fraction of four (4) hours. That is, nonexempt employees working:

- Less than 3.5 hours are not entitled to a rest break.
- 3.5 hours up to 6 hours are entitled to a 10-minute rest break.
- More than 6 hours up to ten hours are entitled to two (2) 10-minute rest breaks.
- More than 10 hours up to 14 hours are entitled to three (3) 10-minute rest breaks.

These paid rest breaks:

- Must be at least 10 consecutive minutes for each four hours worked or major fraction thereof.
- Are to be taken in the middle of the employee's work period to the extent that is possible.

Rest breaks are intended to provide nonexempt employees an opportunity to be away from work, and they are not permitted to perform any work during rest breaks, including the use of smartphones, tablets, wearable technology, computers, mobile phones, and cellphones ("devices"). Employees are free to leave the work premises during their rest breaks.

Supervisors and managers are prohibited from requiring or encouraging non-exempt employees to perform any work during rest breaks. Non-exempt employees must immediately report to the

Corporate Office any supervisor or manager who encourages or requires non-exempt employees to perform work during rest breaks.

Failure to comply with this Policy may subject the employee to discipline, up to and including termination of employment.

3.4. Off-Duty Meal Periods

Non-exempt employees who work more than five (5) hours in a workday are entitled to take an uninterrupted off-duty meal period of at least thirty (30) minutes during which they are relieved of all duties. If an employee works no more than six (6) hours in the workday, the employee and supervisor may mutually agree to waive the meal period in writing. Unless it is waived, employees must take this meal period no later than the end of the employee's fifth (5th) hour of work.

Non-exempt employees who work more than ten (10) hours in a workday are entitled to a second (2nd) uninterrupted, off-duty meal period of at least thirty (30) minutes during which they are relieved of all duties. If an employee works no more than twelve (12) hours in the workday and the employee has taken the first (1st) meal period, then the employee and supervisor may mutually agree to waive the second (2nd) meal period in writing. Unless waived, employees must take this second (2nd) meal period no later than the end of the employee's tenth (10th) hour of work.

Meal periods are intended to provide nonexempt employees an opportunity to be away from work, and they are not permitted to perform any work during off-duty meal periods, including the use of smartphones, tablets, wearable technology, computers, mobile phones, and cellphones ("devices"). Employees must not combine meal periods with other meal periods or rest breaks. Employees should not take meal periods at the beginning or end of their shift in order to arrive late or leave early. Employees are free to leave the work premises during their meal and are encouraged to take meal periods away from their immediate work area. Employees must clock out at the beginning of each meal period and must clock back in when they return from each meal period.

Any non-exempt employee who performs work during their meal period must clock back in before performing any work to record the time spent working during their meal period. If for any reason, the employee is unable to record this time spent working, they must notify their supervisor or manager immediately so the appropriate time-entry adjustment can be made.

Supervisors and managers are prohibited from requiring or encouraging non-exempt employees to perform work during meal periods. Non-exempt employees must immediately report any supervisor or manager who encourages or requires non-exempt employees to perform work during meal or rest periods to Human Resources.

Failure to comply with this Policy may subject the employee to discipline, up to and including termination of employment.

3.5. On-Duty Meal Periods

When the nature of the work at a particular job site during a shift prevents an employee from being relieved of all duties during the meal period, the employee and the Company may agree to an on-duty meal period by signing an On-Duty Meal Period Agreement. Employees are not required to sign an On-Duty Meal Period Agreement, and it can be revoked by the employee or the Company in writing, at any time.

Absent a voluntary On-Duty Meal Period Agreement, the employee is provided with off-duty meal period(s) of at least thirty (30) minutes, as provided above.

Failure to comply with this Policy may subject the employee to discipline, up to and including termination of employment.

3.6. Recovery Cool-Down Periods

Employees are provided a duty-free recovery cool-down period for at least five minutes whenever they feel the need to do so to avoid overheating when their job duties are such that they are exposed to temperature or humidity that may cause a risk of heat illness. Employees will be compensated for their recovery cool-down period.

3.7. Timekeeping Procedures

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require the Company to keep accurate records of time worked for each non-exempt employee. Employees are required to accurately record all time worked through an electronic timekeeping software or application. If for some reason the electronic timekeeping software or application is not available, then employees must record their time by filling out a timesheet. When recording their hours worked, employees must:

- 1) Enter the time they start working at the beginning of their shifts, before performing any work;
- 2) Enter the time out at the end of their shifts and refrain from performing any work after they have done so;
- 3) Enter the time they clock out at the beginning of each meal period;
- 4) Enter the time they clock in when returning from each meal period;
- 5) Clock in and out to record any departure from work for any non-work-related reason;
- 6) Ensure that timesheets are entered into the system and are complete and accurate at the end of each shift.

Employees should record their time using military time, that is, using four (4) numerals. For example, 4:00 am should be recorded as 0400, and 4:00 pm should be recorded as 1600.

Employees should not “round” their time or clock in/out based on their scheduled hours (for shift or meal periods). Rather, employees should clock in/out accurately based upon actual hours worked.

Employees are to complete their own time record and no one else's time record. It is each employee's responsibility to clock in and clock out on their time sheet for every shift worked. Employees may not begin working, including the performance of “preparatory activities,” until the employee has clocked in. In addition, employees must remain on the clock while performing any “conclusory activities.” All corrections to time entries are to be made by drawing a single line through the incorrect information. Employees must initial all corrections.

FAILURE TO PROPERLY AND ACCURATELY RECORD THE EMPLOYEE'S TIME AND/OR FALSIFICATION OF TIMESHEETS WILL SUBJECT TH EMPLOYEE TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.

3.8. No Work Performed Outside Normal Working Hours

Non-exempt employees are strictly prohibited from performing “off-the-clock” work outside of their normal schedule and/or while away from the workplace, including any preparatory and/or conclusory work at the beginning and end of the workday, unless authorized by their supervisor. In the event an employee does perform any work while away from the workplace or outside of their normal scheduled business hours, they must record this work time on their timesheet and inform their supervisor immediately. Work covered by this provision could include business-related phone calls and emails. It is the employee's responsibility to clock in and clock out on the time record for every shift the employee works. Employees may not begin working until they have clocked in and may not do any work after they have clocked out. Working “off-the-clock” for any reason is a violation of Company policy.

If any non-exempt employee believes that they were required to work off-the-clock or not provided sufficient time to conduct preparatory and/or conclusory work while clocked in, or forgot to clock in or out, the affected employee is to report the matter to their supervisor immediately. All employees must immediately report any requests or direction that they perform any off-the-clock work to a supervisor or the Corporate Office.

Non-exempt employees are not required to, and they should not, arrive early for their shifts. If an employee is advised to report to work early, the employee should report the matter to their supervisor immediately.

Non-exempt employees who perform unauthorized “off-the-clock” work are in violation of Company policy. Such employees will receive all pay due to them, but they will be subject to disciplinary action up to and including termination of employment.

3.9. Overtime

Overtime shall be provided in accordance with federal and state law. Employees are not allowed to work overtime unless authorized by their supervisor or the Corporate Office in advance. Employees who work unauthorized overtime will receive all overtime pay due to them, but they will be subject to disciplinary action up to and including termination of employment. The Company will try to notify employees in advance whenever overtime work will be required. Unless otherwise provided by federal or state law, employees’ failure to work required and authorized overtime may lead to disciplinary action up to and including termination of employment.

Non-exempt employees will be paid time and one-half compensation for all hours worked in excess of eight hours in one workday, forty (40) hours in one workweek and for the first eight (8) hours on the seventh (7th) consecutive day of work in a single workweek. Double time will be paid for hours worked in excess of twelve (12) hours in one workday and in excess of eight (8) hours on the seventh (7th) consecutive day of work in a single workweek.

Exempt employees are expected to work as much of each workday as is necessary to complete their job responsibilities. No overtime or additional compensation is provided to exempt employees.

Overtime compensation is paid to all non-exempt employees in accordance with federal and state law. As required by law, employees are paid based on actual hours worked. Time off on vacation leave, holidays, sick leave or any other absence (if applicable) will not be considered hours worked for purposes of calculating overtime.

For the purposes of calculating overtime for non-exempt employees, the workweek begins at 12:00 a.m. (midnight) on Monday and ends at 11:59 p.m. on Sunday.

Non-exempt employees cannot waive their rights to overtime pay. No overtime work may be performed off-the-clock. Employees who believe that their overtime hours have not been recorded and/or they have not been paid properly for all overtime hours worked should bring their concerns immediately to the attention of their supervisor or the Corporate Office.

3.10. Shift Changes

An employee is not permitted to exchange shifts with another employee without obtaining advance authorization from both employees' supervisor(s). Shift changes will only be allowed if it results in both employees working without overtime as a result of the change.

3.11. Pay Periods and Paydays

Paydays are every Friday for all employees. If the payday falls on a holiday and the office is closed, employees will be paid on the day before the regularly scheduled payday. Paychecks will be delivered via direct deposit, available for pickup at head office, or delivered via mail per the employee's election.

Paychecks will not be released to anyone other than the employee without written authorization by the employee. Should an employee ever wish to have their check released to anyone other than the employee, they must provide written authorization that shall include at least the following: (1) date of the payroll check to be picked up; (2) the employee's specific authorization for the person named on the request to pick up the employee's check; (3) the name and relationship of the person; (4) the employee's name printed; (5) the employee's signature; and (6) the date signed.

For example, the following authorization would be acceptable:

I authorize _____, who is _____, to pick up my payroll check for the payroll period ending _____ on my behalf. This individual must show you a photo ID. By my signature below, I relieve the Company from liability related to my actual receipt of this check.

Employees will receive itemized wage statements along with their paychecks showing the following: (1) gross wages earned; (2) total hours worked by non-exempt employees; (3) the number of piece-rate units earned and any applicable piece rate; (4) all deductions; (5) net wages earned; (6) the inclusive dates of the period for which employees are paid; (7) the name of the employee and the last four digits of their Social Security number or an employee identification number; (8) the name and address of the legal entity that is the employer; (9) paid sick leave information (which may be on a separate sheet); and (10) all applicable hourly rates and the corresponding number of hours worked at each hourly rate. The Company will keep a copy of these statements on file for at least three years.

The law requires that the Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. The Company also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." The Company matches the amount of Social Security taxes paid by each employee.

The Company may offer programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs. Pay setoffs are pay deductions taken by the Company, usually to help pay off a debt or obligation to the Company or others. If employees have questions concerning why

deductions were made from their pay check or how they were calculated, the employee's supervisor can assist in answering questions.

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their supervisor so that corrections can be made as quickly as possible. Once underpayments are identified, they will be corrected upon completion and approval of pay review. Overpayments will also be corrected in the next regular paycheck unless this presents a burden to the employee (where there is a substantial amount owed). In that case, the Company will attempt to arrange a schedule of repayments with the employee to minimize the inconvenience to all involved.

Debts, Loans, and Garnishments

The Company is required by law to recognize and comply with certain court orders, liens, and wage assignments. When the Company receives a notice of a pending garnishment or wage assignment, the Corporate Office will notify the employee. Employees are encouraged to avoid financial transactions that result in wage garnishments.

3.12. Reporting/Show-Up Compensation

If a non-exempt employee is requested to report to work on a day the employee is scheduled to work, but is sent home early without working one-half of their usual or regularly scheduled hours for that day, the employee will be paid the greater of one-half their regularly scheduled hours (up to four hours) or two hours at the employee's regular rate of pay ("Reporting Pay"). The regular rate of pay will be the rate the employee received for hours worked during that payroll period. An employee will not be entitled to Reporting Pay, however, if the Company has notified them not to report to work on a given day, when operations cannot begin due to threats to the Company or when recommended by civil authority, when public utilities fail, or when work is interrupted by an act of God or other causes not within the Company's control.

Additionally, an employee will not receive reporting pay if they are not fit to work, do not arrive to work on time or are fired or sent home due to disciplinary action.

Reporting Pay paid in excess of the actual amount of hours worked will not be included in the calculation of an employee's overtime compensation. Rather, overtime compensation will be based on actual hours worked by the employee.

3.13. Pay for Mandatory Meetings/Training

The Company will pay non-exempt employees for their attendance at meetings, lectures, and training programs that are mandatory. Any such mandatory meeting shall not include the

discussion of any “religious or political matters” as defined under §1137 of the California Labor Code.

An employee who is required to attend such meetings, lectures, or training programs will be notified of the necessity for such attendance by their supervisor.

Security officers engaged in training classes or training shifts will normally be compensated at minimum wage, unless the client contract specifies and pays for specific training at a higher rate. Such employees will be notified in advance if they will be paid at a rate higher than minimum wage.

3.14. Salary Pay Policy for Exempt Employees

Exempt employees will receive their salary for any week in which they perform any work as set forth herein. For purposes of this salary pay policy, a week begins Monday at 12:00 a.m. and ends the following Sunday at 11:59 p.m. An exempt employee will receive their full salary for any week in which an employee does any work, unless otherwise allowed by law and subject to the following rules:

- 1) An employee's salary may be reduced for complete days of absence due to personal leave, before benefits are available or after they are exhausted, if any;
- 2) An employee's salary will not be reduced for partial weeks of work due to service as a juror, witness, or in the military, or for lack of work. However, if an exempt employee is absent for a partial workday, the partial absence will be deducted from the exempt employee's available sick leave; and
- 3) An employee's salary will be prorated for the week in which the employee begins work and in which the employee ends employment, if such employment starts or stops at a partial week.

This salary pay policy is intended to comply with the salary pay requirements of the California Labor Code and the Fair Labor Standards Act and shall be construed in accordance with those regulations.

Employees are encouraged to direct any questions concerning their salary pay to their supervisor so that any inadvertent error can be corrected.

Employees should contact their supervisor or the Corporate Office of the Company for more information.

3.15. Business and Equipment Expense Reimbursement

Employees may be reimbursed for reasonable expenses incurred in the course of business. These expenses may include, but are not necessarily limited to, air travel, hotels, motels, meals, cab fare, rental vehicles, gas and car mileage for personal vehicles, personal tools and/or equipment, and personal cell phones if required for work. If an employee believes the allowance does not sufficiently provide for reasonable business expenses, the employee should contact their supervisor to discuss modification of the allowance. Receipts supporting the modification request may be requested. All expenses incurred should be submitted to the Company along with the receipts within thirty (30) days of the date of the expenditure.

Some employees are issued Company credit cards or gas cards. Use of these credit cards or gas cards is a benefit the Company may provide, it is not a right. The Company may issue the credit cards and gas cards in its sole and absolute discretion.

The credit cards and gas cards are to be used for approved business expenses only. Employees must obtain paper receipts for each purchase. These receipts must be turned into the Human Resources Manager not later than the end of the next business day or as soon as possible. Misuse of any credit cards or gas cards will result in loss of use, recovery of unauthorized charges, and disciplinary action, up to and including immediate termination.

Employees whose travel plans have been approved should make all travel arrangements through the Human Resources Manager or the President. When approved, the actual costs of travel, meals, lodging, and other expenses directly related to accomplishing business travel objectives will be paid for or reimbursed by the Company. Employees are expected to limit expenses to reasonable amounts and expenses deemed “excessive” or “unwarranted” by the Corporate Office will not be reimbursed.

Any employee who is involved in an accident while traveling on business must promptly report the incident to the Company. Vehicles owned, leased, or rented by the Company may not be used for personal use without prior approval.

Cash advances to cover reasonable anticipated expenses may be made to employees, after travel has been approved. Employees should submit a written request to their supervisor when travel advances are needed.

In rare cases and only with prior written approval from the Corporate Office, a family member or friend may accompany employees on business travel, when the presence of a companion will not interfere with successful completion of business objectives. Employees are not permitted to combine personal travel with business travel, unless written permission is granted by the Corporate Office in advance of the aforementioned business travel and the personal travel does not interfere with any professional/business responsibilities and the time away from work is approved. Additional expenses arising from such non-business travel are the responsibility of the employee.

Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, travel advances, expense reports, reimbursement for specific expenses, or any other business travel issues.

Employees are expected to exercise restraint and good judgment when incurring business expenses. Employees should contact their supervisor in advance if they have any questions about whether an expense will be reimbursed. Violations/abuse of the travel and reimbursement policies will be subject to disciplinary action up to and including termination of employment.

Employees may also be reimbursed for any equipment that they may be required to use for work that is owned by the employee.

Abuse of this policy, including falsifying expense reports to reflect costs not incurred by the employee, are grounds for disciplinary action, up to and including termination of employment.

3.16. Cellular Phone Reimbursement

The Company reimburses employees for use of their personal cellular telephone for necessary and reasonable business use in accordance with California Labor Code section 2802 and as further delineated under section 5.4 of this Handbook.

SECTION 4: PERSONNEL POLICIES

4.1. Open Door Policy

The Company encourages an open door policy whenever someone has a criticism, complaint, compliment, suggestion or question. An employee's supervisor is often the best starting point and source of information. If the matter remains unresolved, any member of the Company management is available to discuss the employee's problem. The Company's door is not only open to hear and discuss any employee's problems, but it also welcomes any suggestions or comments employees may have which make the Company a more efficient operation and a better place to work.

While the Company provides employees with this opportunity to communicate their views, please understand that not every complaint can be resolved to an employee's satisfaction. Even so, the Company believes that open communication is essential to a successful work environment and all employees should feel free to raise issues of concern without fear of reprisal.

4.2. Complaint Resolution

Employee relations at the Company are based on mutual understanding and trust between management and employees. In order to encourage employees to express their concerns and seek resolution to questions and complaints, the Company has established this complaint resolution procedure.

This procedure has been implemented to provide a venue to voice employee concerns and to ensure their concerns will be addressed in a timely manner. This procedure is available to all currently active employees. Its purpose is to assist in resolving problems that an employee may have, not to address disciplinary issues.

Step 1: The employee should first discuss the problem or complaint with the employee's direct supervisor who will cooperate with the employee in an attempt to reach a solution. If the employee's problem or complaint concerns their supervisor, begin this process at Step 2.

Step 2: If the employee and the employee's supervisor cannot resolve the complaint or problem, the employee should bring the problem to the Human Resources Department. At this point, while not required, it is requested that the complaint should be put in writing to ensure that all participants have a clear understanding of the issue and supporting facts. The employee's complaint should be as detailed as possible, including the names of all individuals involved and any witnesses. The Human Resources Department will investigate and communicate a decision to the employee in writing.

Step 3: Should the Human Resources Department fail to resolve the employee's problem, the complaint should be submitted in writing to the President/CEO.

The Company reserves the right to deviate from this Complaint Resolution Policy in its sole and absolute discretion.

4.3. Unlawful Discrimination and Harassment

The Company is committed to providing a work environment that is free of discrimination and harassment. In accordance with applicable law, the Company prohibits any type of discrimination, sexual and unlawful harassment of applicants for employment, employees, independent contractors, clients and guests/patrons on the basis of race, including hairstyles associated with race, color, religion or creed, sex, gender, transgender status, gender identity or expression, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, age, national origin, citizenship, ancestry, physical or mental disability, medical condition, sexual orientation, military or veteran status, genetic characteristics, or any other category protected by state or federal law (a "Protected Category"). The Company also prohibits discrimination based on the perception that an employee, applicant, or independent contractor has the characteristics of someone in a Protected Category, or is associated with a person who has or is perceived as having the characteristics of someone in a Protected Category. It also prohibits retaliation of any kind against individuals who file complaints in good faith or who assist in an investigation.

For purposes of this section, "National Origin" harassment or discrimination includes discriminating against someone based on their ethnicity; physical, linguistic or cultural traits; a

perception that a person is of a particular national origin, even if they are not; and because of their association with someone of a particular national origin.

Sexual Harassment Defined

Sexual harassment deserves particular mention. Sexual harassment includes, but is not limited to, making unwanted sexual advances and requests for sexual favors where either (1) submission to such conduct is made an explicit or implicit term or condition of employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individuals; or (3) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment. Individuals who violate this policy are subject to discipline up to and including immediate termination.

This definition includes many forms of offensive behavior. The following is a partial list:

- 1) Unwanted sexual advances;
- 2) Offering employment benefits in exchange for sexual favors;
- 3) Making or threatening reprisals after a negative response to sexual advances;
- 4) Nonverbal and/or visual conduct such as leering, making sexual gestures, or displaying derogatory and/or sexually suggestive objects, pictures, cartoons, posters, or drawings;
- 5) Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any employee's body or dress;
- 6) Verbal sexual advances or propositions;
- 7) Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations;
- 8) Electronic sexual harassment (including, but not limited to: harassment via cell phone, including e-mail and text messages, harassing instant messages, harassing comments and/or pictures posted on social networking sites);
- 9) Physical conduct such as touching, assault, or impeding or blocking movements; and
- 10) Retaliation for reporting or opposing harassment or threatening to report harassment, or for participation in an investigation, proceeding or hearing conducted by the California Rights Department ("CRD") or the Equal Employment Opportunity Commission (EEOC).

Any of the above behavior is considered inappropriate conduct and a violation of this policy, even if it is consensual. This list is illustrative only and not exhaustive. No form of sexual harassment will be tolerated. Sexual harassment on the job is unlawful whether it involves co-worker harassment, harassment by a supervisor or a member of management, or harassment by persons doing business with or for the Company. In addition, sexually harassing conduct need not be motivated by sexual desire to be inappropriate or in violation of this policy.

Other Types of Harassment

Prohibited harassment on the basis of race, including hairstyles associated with race, color, religion or creed, sex, gender, transgender status, gender identity or expression, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, age, national origin, citizenship, ancestry, physical or mental disability, medical condition, sexual orientation, military or veteran status, genetic characteristics, or any other protected basis, includes behavior similar to sexual harassment, such as:

- 1) Verbal conduct such as threats, epithets, derogatory jokes or comments, or slurs;
- 2) Nonverbal and/or visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- 3) Physical conduct such as assault, unwanted touching, or blocking normal movement;
- 4) Online (for example, derogatory statements or postings in any social media platform including Facebook, Twitter, Instagram, Snapchat, etc.).

This list is illustrative only and not exhaustive. No form of harassment will be tolerated. Harassment is prohibited both at the workplace and at employer-sponsored events.

Complaint Procedure

The Company's complaint procedure provides for an immediate, thorough, and objective investigation of any claim of unlawful or prohibited harassment, appropriate disciplinary action against one found to have engaged in prohibited harassment, and appropriate remedies for any victim of harassment. A claim of harassment may exist even if the employee, applicant, independent contractor, unpaid intern or volunteer has not lost a job or some economic benefit.

If an employee believes that they have been harassed, or if they are aware of the harassment of others, they should provide a written or verbal complaint to their supervisor, or in the alternative, to the Corporate Office as soon as possible. The complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etcetera). Managers/supervisors are required to report all harassment complaints to the Corporate Office. All managers and supervisors are responsible for the application and implementation of this Policy

within their department, including the initiation and support of programs and practices designed to develop understanding, acceptance, commitment and compliance within the framework of this Policy. Supervisors must immediately report any incidents of harassment to the Corporate Office. The Company will promptly investigate all such claims and take appropriate corrective action, including disciplinary action, when it is warranted. The investigation will be kept confidential, to the extent possible. The results of the investigation will be transmitted to the involved employee(s). In the event a report involves the employee's manager the employee shall report such incidents to a non-involved manager or the Corporate Office. Employees should feel free to report valid claims without fear of retaliation of any kind. Employees will not be subject to retaliation for registering any complaint of unlawful harassment in good faith. The Company will ensure that all employees are informed of this Policy and take affirmative steps to encourage individuals who believe that they have been harassed or discriminated against to report such incidents to a supervisor.

The Company encourages and expects all employees to fully cooperate with any on-going investigation regarding any sexual harassment or discrimination incident and comply with all legal requirements as well as working with the Company to be aware of any changes in the law or its interpretation.

Each employee will be responsible for complying with both the spirit and letter of this policy to achieve the Company's objectives. In the event a report involves the employee's manager the employee shall report such incidents to the Corporate Office.

Employees will not be retaliated against for making a complaint under this policy in good faith, testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by a governmental enforcement agency. Additionally, the Company will not knowingly permit any retaliation against any employee who complains of prohibited harassment or who participates in an investigation.

If the Company determines that prohibited harassment has occurred, the Company will take effective remedial action commensurate with the circumstances. Complaints and investigations will be tracked, and appropriate action will also be taken to deter any future harassment. If a complaint of prohibited harassment is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken. The Company will not retaliate against an employee for filing a complaint or providing information related to a complaint and will not knowingly tolerate or permit retaliation by management, employees, or co-workers, or others in the workplace.

The Company encourages all employees to report any incidents of harassment forbidden by this policy immediately so that complaints can be quickly and fairly resolved. This policy applies not only to Company employees, but also to non-employees and third parties such as vendors, suppliers, agents, customers and their guests. If any employee has any questions concerning this policy, please feel free to contact a supervisor or the Corporate Office.

Liability for Discrimination and Harassment

Any employee, whether a co-worker or supervisor, who is found to have engaged in prohibited discrimination or harassment is subject to disciplinary action, up to and including termination of employment. Any employee who engages in prohibited harassment may be held personally liable for monetary damages. The Company does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, the Company reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

Additional Enforcement Information

In addition to the Company's internal complaint procedure, employees should also be aware that the EEOC and the CRD investigate and prosecute complaints of unlawful discrimination and harassment in employment. Employees who believe that they have been unlawfully discriminated against or harassed may file a complaint with either of these agencies. The EEOC and the CRD may serve as neutral fact finders and attempt to help the parties voluntarily resolve disputes.

For more information, contact the Corporate Office. Employees may also contact the nearest office of the EEOC or the CRD, as listed in the telephone directory or on the internet.

Training

As required by law, the Company will provide sexual harassment prevention training and education to all supervisory and non-supervisory employees.

4.4. Unlawful Retaliation

The Company is committed to providing a workplace free from unlawful retaliation and/or unlawful retaliatory activities. Company policy prohibits any unlawful retaliation and/or unlawful retaliatory activities by anyone in its employ against another employee because that employee or the employee's family member participated in "protected activities."

What is Retaliation?

Retaliation is an employee (or several employees) taking revenge against an employee because that employee or the employee's family member has engaged in protected activities.

What are "Protected Activities"?

A protected activity is an action by an employee that is protected under federal or California law. Some examples of protected activities are: (1) making a complaint to a supervisor and/or member of management based on a reasonable and good faith belief that unlawful conduct in the workplace has occurred; (2) filing a complaint with a government agency, in good faith, regarding perceived

unlawful conduct in the workplace; and (3) participating in an investigation into an employee's complaint of perceived unlawful conduct in the workplace.

The Company's Unlawful Retaliation Policy applies to all persons involved in the operation of the Company and prohibits unlawful retaliation and/or unlawful retaliatory activities by any employee of the Company, including supervisors and those in management.

Complaint Procedure

The Company's complaint procedure provides for an immediate, thorough, and objective investigation of any claim of unlawful retaliation and/or unlawful retaliatory activities, appropriate disciplinary action against one found to have engaged in unlawful retaliation and/or unlawful retaliatory activities, and appropriate remedies for any victim of unlawful retaliation and/or unlawful retaliatory activities. A claim of retaliation may exist even if the employee has not lost a job or some economic benefit and may include warnings, reduction of work hours, change in job tasks, transfers or other adverse employment actions taken unlawfully taken against one who has engaged in protected activity.

If an employee believes they have been unlawfully retaliated against, or if they are aware of retaliation against others, they should provide a written or verbal complaint to their supervisor, any other supervisor with the Company or the Corporate Office as soon as possible. The complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etcetera). Managers/supervisors will refer all complaints of retaliation and/or retaliatory activities to the Corporate Office.

All incidents of prohibited retaliation and/or retaliatory activities that are reported will be investigated. The Company will immediately undertake or direct an effective, thorough, and objective investigation of the retaliation allegations. The investigation will be completed and a determination regarding the reported retaliation will be made and communicated to the employee who complained and to the accused employee(s), subject to the right of privacy of each employee. The Company will keep the investigation confidential to the extent possible.

If the Company determines that prohibited retaliation and/or retaliatory activities have occurred, the Company will take effective remedial action commensurate with the circumstances. Appropriate action will also be taken to deter any future retaliation. If a complaint of prohibited retaliation is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken. The Company will not retaliate against an employee for filing a complaint and will not knowingly tolerate or permit retaliation by management, employees, or co-workers, or others in the workplace.

The Company encourages all employees to report any incidents of retaliation forbidden by this policy immediately so that complaints can be quickly and fairly resolved.

Liability for Retaliation

Any employee of the Company, whether a co-worker, supervisor, or other member of management, who is found to have engaged in retaliation and/or retaliatory activities will be subject to disciplinary action, up to and including termination of employment. The Company does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, the Company reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

Additional Enforcement Information

In addition to the Company's internal complaint procedure, employees should also be aware that governmental agencies, such as the EEOC, the CRD, and the Labor Commissioner, investigate and prosecute complaints of unlawful retaliation in employment. Employees who believe that they have been unlawfully retaliated against may file a complaint with any of these agencies. The EEOC, the CRD, and the Labor Commissioner may serve as neutral fact-finders and attempt to help the parties voluntarily resolve disputes.

For more information, please contact the Corporate Office of the Company. The employee may also contact the nearest office of the EEOC, the Labor Commissioner, the CRD, or other appropriate governmental agency, as listed in the telephone directory or on the internet.

4.5. Conduct and Employment Outside Work

In general, the Company does not seek to interfere with employees' off-duty activities. However, the Company cannot tolerate off-duty conduct that is illegal.

4.6. Standards of Professional Conduct

Like all other organizations, the Company requires order and discipline to succeed and to promote efficiency, productivity, and cooperation among employees. These guidelines are provided for informational purposes only and are not intended to be all-inclusive. Nothing herein is intended or shall be construed to change or replace, in any manner, the “at-will” employment relationship between the Company and the employee.

In addition, the Company views the following as inappropriate behavior:

- 1) Negligence, carelessness or inconsiderate treatment of Company clients and/ or their matters/files.
- 2) Theft, misappropriation or unauthorized possession or use of property, documents, records or funds belonging to the Company, any client or any employee; removal of same from Company or client premises without authorization.

- 3) Divulging trade secrets or other confidential business information to any unauthorized person(s) or to others without an official need to know.
- 4) Obtaining unauthorized confidential information pertaining to clients or employees.
- 5) Changing or falsifying client records, Company records, personnel or pay records, including time sheets without authorization.
- 6) Willfully or carelessly damaging, defacing or mishandling property of a client, the Company or other employees.
- 7) Taking or giving bribes of any nature, or anything of value, as an inducement to obtain special treatment, to provide confidential information or to obtain a position. Acceptance of any gratuities or gifts must be reported to a supervisor or the Corporate Office.
- 8) Entering Company premises, or a client's premises without authorization.
- 9) Willfully or carelessly violating security, safety, or fire prevention equipment regulations.
- 10) Unauthorized use of a personal vehicle for Company business.
- 11) Illegal conduct, creating a disturbance on Company premises, client premises, or creating discord with clients.
- 12) Use of abusive language.
- 13) Any rude, discourteous or un-businesslike behavior, on or off Company premises, which adversely affects the Company services, operations, property, reputation or goodwill in the community, with Company clients, or interferes with work.
- 14) Failure to observe scheduled work hours, failure to contact a supervisor or manager in the event of illness or any absence within thirty (30) minutes of the scheduled start of work; failure to report to work when scheduled; unauthorized or excessive use of sick leave or any other leave of absence.
- 15) Sleeping or loitering during regular working hours.
- 16) Recording time for another employee or having time recorded to or by another employee; any falsification of records.
- 17) Use or possession of intoxicating beverages or illegal use or possession of narcotics, marijuana or drugs (under state, federal or local laws), on Company or client premises during working hours or reporting to work under the influence of intoxicants or drugs so as to interfere with job performance, or having any detectable amounts of drugs in an employee's system.

- 18) Unauthorized possession of a weapon on Company or client premises, or while on patrol.
- 19) Illegal gambling on Company or client premises.
- 20) Soliciting, collecting money, vending, and posting or distributing bills or pamphlets on Company or client property. These activities are closely controlled in order to prevent disruption of Company services and to avoid unauthorized implication of Company sponsorship or approval. However, this general rule is not intended to hinder or in any way curtail the rights of free speech or free expression of ideas, nor to hinder legitimate unionization activities.
- 21) Falsification of one's employment application, medical or employment history.
- 22) Insubordination, including improper conduct toward a supervisor, manager, Company executive, or client or guest, or refusal to perform tasks assigned by a supervisor in the appropriate manner, including but not limited to a refusal to work in specific locations, specified shifts, overtime, or identified posts.
- 23) Possession, distribution, sale, use or being under the influence of alcoholic beverages or illegal drugs while on duty, or while operating a vehicle or potentially dangerous equipment.
- 24) Sexual harassment or other unlawful harassment or discrimination, whether verbal, physical or visual. This includes harassment or unwarranted intimidation of an employee, client or site patron.
- 25) Failure to immediately report to a supervisor (or other appropriate Company personnel as set forth in its Policy Against Harassment), or falsely reporting the harassment, discrimination, or intimidation of an employee.
- 26) Actual or threatened violence.
- 27) Release of confidential information about the Company or its clients.
- 28) Falsifying or making a material omission on an employment application or any other Company record.
- 29) Misusing, destroying or damaging property of the Company, a fellow employee, a client or a visitor.
- 30) Fighting while on duty (other than while engaging in a reasonable use of force situation, as described in Part 3 of this employee handbook).

- 31) Bringing dangerous or unauthorized materials, such as explosives, firearms or other similar items on Company or client property without the express authorization of the Corporate Office.
- 32) Unsatisfactory performance.
- 33) Bringing friends, romantic partners, or any members of the employee's family to a client site or having them in a Company or client vehicle.
- 34) Engaging in activities that will conflict with the business of the Company or activities that could negatively affect clients.
- 35) Denigrating, speaking ill, or posting negative comments about the Company or any of its employees in a manner that could harm the business interests of the Company not authorized by law.
- 36) Failing to report incidents directly to their supervisor and/or the Corporate Office.
- 37) Engaging in any action that could jeopardize the licenses of the Company, including any violation of the California Private Security Services Act or other similar laws in states outside California. Employees are responsible for ensuring they possess and maintain valid licenses necessary for the job at all times.
- 38) Leaving their post, or assigned duty area during working hours. Note that employees driving Company vehicles may be monitored by video recording. Additionally, the location of Company vehicles and Company-issued cell phones may be monitored by a GPS device.
- 39) No call – No show to assigned posts.
- 40) Improper or unlawful use of Company vehicles or equipment. (Speeding, reckless driving, taking home a vehicle, letting someone else drive the vehicle, etc.).
- 41) Failure to report a workplace injury or accident involving any employee, client, equipment or property.
- 42) Failure to report an off-duty injury that would compromise on-duty activity or performance of regular duties.
- 43) Having unauthorized TV, radio, or reading materials on post.
- 44) Giving out an employee's home telephone number, cell number or address.
- 45) Allowing unauthorized personal visitors on post.

- 46) Participation in unauthorized outside employment. (The Company should be made aware of any other employment in the event the other employment may create a conflict of interest.)
- 47) Accepting gifts, gratuities, or bribes.
- 48) Failure to follow Standard Operating Procedures (SOP's) or Post Orders at assigned post.
- 49) Excessive absenteeism or tardiness.
- 50) Failure to carry their state licenses, registrations, permits and/or Company ID card/badge while on duty.
- 51) Failure to obtain a copy of new or renewed licenses, registrations or permits on or before the expiration date, or failing to advise the Company of a revoked or suspended guard registration or other required permit.
- 52) Failure to report to duty, groomed and in full uniform as per Company dress code.
- 53) Use of any social media (twitter, Facebook, chat rooms, internet posts, etc.) in a way that violates any Company policy.
- 54) Failure to report a Use of Force Incident (as specified in Part 3, below).

The Company reserves the right to discipline an employee for violations of any inappropriate or illegal behavior whether or not it is specifically listed or prohibited in this Handbook or other Company policy.

4.7. Drugs and Alcohol

It is the intent of the Company to operate in an environment free of alcohol, cannabis products, illegal drugs, illegal intoxicants and cannabis products, and illegal controlled substances. The Company believes that use of these substances jeopardizes the welfare and safety of its employees and visitors, as well as its own productivity and efficiency. The Company prohibits the use of these substances to the extent that they affect, or have the potential to affect, the workplace. Accordingly, the Company prohibits the following:

- 1) Possession, use, or being under the influence of alcohol, cannabis products, or an illegal drug, intoxicant, or controlled substance during working hours.
- 2) Operating a vehicle owned or leased by the Company while under the influence of alcohol, cannabis products, or an illegal drug, intoxicant, or controlled substance.
- 3) Distribution, sale, manufacture or purchase--or the attempted distribution, sale, manufacture or purchase--of cannabis products, an illegal drug, intoxicant, or controlled

substance during working hours or while on premises owned or occupied by the Company or a client.

“Under the influence” is defined as any measurable amount of drugs or alcohol present in an employee. This will prohibit, for example, drinking any alcoholic beverage at lunch. The only exception to this provision will apply to moderate consumption or possession of alcohol on Company premises by employees at Company-approved functions. Additionally, beginning January 1, 2024, the Company will not discriminate, retaliate and take any adverse action against an employee for their recreational use of marijuana subject to applicable law.

Employees’ compliance with the provisions of the Company’s workplace drug and alcohol policy is a condition of employment.

Searches and Security Inspections

For certain employees, the Company provides desks, file cabinets, lockers, computers, telephones, pagers, Company vehicles, etc., for the convenience and use of its employees at the Company’s expense. Although such items are made available for the convenience of employees while at work, employees should remember that all such items remain the sole property of the Company’s. Moreover, the Company reserves the right to open and inspect desks and file cabinets, as well as any contents, effects, or articles that are in desks, lockers, file cabinets telephones, pagers, Company vehicles, etc. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after work hours by any supervisor, manager or security personnel designated by the Company.

The Company has the right to monitor all telephone calls. Additionally, Company vehicles may be equipped with a GPS tracking device and video and audio monitoring systems. Therefore, employees should not assume that telephone calls or conversations are confidential.

Prohibited materials, including weapons, explosives and non-prescribed drugs or medications, may not be placed in a desk or file cabinet. In accordance with the Company’s policy regarding use of drugs, marijuana, even if prescribed, is considered an illegal drug. Perishable items also should not be stored in desks and file cabinets or left for prolonged periods. Employees, who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, including immediate termination of employment. The Company is not responsible for any articles that are placed or left in a desk or file cabinet that are lost, damaged, stolen or destroyed.

The Company may conduct unannounced searches of company facilities and property for illegal drugs or alcohol. Any employee suspected of possessing alcohol, cannabis products, an illegal drug, intoxicants, or a controlled substance is subject to inspection and search, with or without notice. Employees’ personal belongings, including any bags, purses, briefcases, and clothing, and all Company property, are also subject to inspection and search, with or without notice. Employees who violate the Company’s drug and alcohol abuse policy will be removed from the workplace

immediately. Employees are expected to cooperate in the conduct of such searches. An employee's consent to such a search is required as a condition of employment, and the employee's refusal to consent will result in disciplinary action, up to and including termination.

Disciplinary Action

Violation of any part of this policy will result in termination, even for a first offense, and, if appropriate, referral for prosecution by local, state, or federal law enforcement agencies. An employee convicted of violating a criminal drug statute for a violation that occurred on Company premises or during working hours must notify their supervisor within five (5) days of the conviction.

Any conviction for criminal conduct involving illegal drugs, intoxicants, or controlled substances, whether on or off-duty, or any violation of the Company's drug and alcohol policy, including having a positive drug-test result, may lead to disciplinary action, up to and including termination of employment.

Any employee's conviction on a charge of sale, distribution, manufacturing or attempted sale, distribution, or manufacturing or possession of any controlled substance while off Company property will not be tolerated because that conduct, even though off-duty, reflects adversely on the Company. In addition to reflecting adversely on the Company, the Company must keep people who are involved with illegal drugs, intoxicants, and controlled substances off premises owned or occupied by the Company in order to keep those substances off the premises.

Legal Drugs (Prescription and Over-the-Counter)

The legal use of prescribed and/or over-the-counter drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner that does not endanger other individuals in the workplace.

An employee who is using prescription or over-the-counter drugs that impairs their ability to safely perform the job or affects the safety or well-being of others must inform their supervisor and submit a physician's statement that the prescription drug use will not affect job safety to the fullest extent allowed by law. The employee should not identify the medication or the underlying illness. Various federal, state, and local laws protect the rights of individuals with disabilities and others with regard to the confidentiality of medical information, medical treatment, and the use of prescription drugs and substances taken under medical supervision. Nothing contained in this policy is intended to interfere with individual rights under, or to violate, these laws.

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

Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisor in order that they may receive assistance or referrals to appropriate resources in the community.

Employee Drug and Alcohol Testing Program

The Company reserves the right to require an employee or candidate to submit to a drug test in the following circumstances:

- 1) After an offer of employment, but before the candidate commences employment;
- 2) When a reasonable suspicion exists that any employee is under the influence of alcohol, cannabis products, or any illegal drug, intoxicant, or controlled substance while on the job, or is otherwise in violation of this policy. Reasonable suspicion means suspicion based on information regarding, among other things, the appearance, behavior, speech, attitude, mood, and/or breath odor of any employee sufficient to suspect the employee is under the influence of alcohol or any illegal drug, intoxicant or controlled substance. Testing may also be required if an employee is found to be in possession of physical evidence i.e., drugs, alcohol or paraphernalia, possibly connected with the use of an illicit drug. Testing may also be required if illicit drugs and/or alcohol are found in the employee's immediate work area. However, it should be emphasized the possession of drugs or alcohol is prohibited whether or not it is determined that the employee also used such substances;
- 3) When an accident, near-miss, or incident occurs in which safety precautions are violated or careless acts are performed, and the accident is of the nature that if the employee was under the influence of an illegal drug, intoxicant, or controlled substance, cannabis products or alcohol, such influence could have contributed to the occurrence of the accident. If the accident is severe (i.e., causes injury to the Employee or to another person) or causes substantial damage, drug testing will be required;
- 4) Randomly for employees employed in a safety-sensitive position; and
- 5) When required by a state or federal law or regulation (e.g., (i) persons driving commercial motor vehicles with a gross vehicle weight rating of 26,001 pounds or more or carrying hazardous materials in interstate commerce ("DOT testing"); or (ii) for other reasons required by law).

The testing required by the Company will involve an initial screening test. If that test result is positive, the positive result will be confirmed using a different testing methodology. The test results will be kept as confidential as possible. Beginning January 1, 2024, the Company will not utilize drug testing that tests for nonpsychoactive metabolized marijuana. Questions concerning this policy or its administration should be directed to the Corporate Office.

4.8. Punctuality and Attendance

As part of the Company's responsibility to its clients, the public, and to other employees, the Company expects its employees to be at work scheduled, to arrange their personal schedules to accommodate or established working hours, and to notify the Company as early as possible if they expect to be absent or tardy. Employees are expected to be at their work station or post, ready to begin work, at the beginning of their assigned shift. Non-Exempt employees are not required to, and they should not arrive early for their shifts. If an employee is advised to report to work early they should report the matter to their supervisor, the Corporate Office immediately.

Poor Attendance and excessive tardiness are disruptive. If tardiness/absence are foreseeable the employee must notify the Company as soon as possible. The employee must actually speak to their supervisor, the assigned manager, the Human Resources Department, or the President/CEO. Leaving a message on a voice mail or sending an e-mail shall not be sufficient to call off for a shift. In the event an employee is late with no call, and no valid excuse, the employee may be subject to disciplinary action up to and including termination of employment.

In case of illness or injury, a doctor's release to return to work may be required from an employee before the employee will be allowed to return to work if the employee has exhausted their California mandatory paid sick leave and/or kin care. In providing this doctor's note, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information.

Absenteeism may lead to disciplinary action, up to and including termination of employment. Absences may be excessive if they occur frequently or if they show a pattern. Absences immediately before or after holidays and weekends are suspect. Continuing patterns of absences, early departures, or tardies--regardless of the exact number of days--may also result in disciplinary action, up to and including termination of employment.

If an employee fails to report for work without any notification to the Company, the employee may be subject to disciplinary action up to and including termination of employment.

Individuals with disabilities may be granted reasonable accommodation in complying with these policies if undue hardship does not result to the Company's operations. However, regular attendance and punctuality are essential functions of each employee's job.

Disciplinary Policy for Absenteeism

The Company will engage in a progressive disciplinary system to address unexcused absences. Unexcused absences, as used in this section, refers to any absence from a scheduled shift that is

not timely submitted and approved in advance. Unexcused absences DO NOT include the use of Paid Sick Leave, an approved leave of absence, or any other legally protected time off from work under any applicable state or federal law.

The Company considers incidents within a 12 month period when determining disciplinary action. The guidelines below are for incidents within a 12 month period. The Company will generally address attendance issues as follows, but reserves the right to deviate from this policy when circumstances warrant:

First Incident: Verbal Warning

Second Incident: Written Warning

Third Incident: Final Written Warning

Fourth Incident: Suspension from work and/or Termination of Employment

Job Abandonment

The Company expects all employees to report for work on time for every scheduled shift. An employee who is unable to report to work at the designated time is required to notify his or her supervisor as soon as possible but no later than the employee's scheduled start time. Employees who fail to report to work for three consecutive shifts or business days without notifying the company of the absence will be considered as having voluntarily resigned as a result of job abandonment.

If an employee is unable to contact the Company in a timely manner due to extenuating circumstances, they should ask a representative (such as a family member or friend) to do so on their behalf. In such extenuating circumstances, the Company will consider the reason for employee's absence and lack of communication in deciding whether or not the determination of job abandonment will be excused.

4.9. Investigations of Current Employees and Security Inspections

The Company may occasionally find it necessary to investigate current employees, where behavior or other relevant circumstances raise questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of co-workers or others.

Employee investigations may, where appropriate, include credit reports when permitted by law, and investigations of criminal records, including appropriate inquiries about any arrest for which the employee is out on bail. In the event that a background credit check is conducted, the Company will comply with the federal Fair Credit Reporting Act. The California Fair Chance Act, and all applicable state laws, including providing the employee with any required notices and forms. Employees subject to an investigation are required to cooperate with the Company's lawful efforts

to obtain relevant information and may be subject to disciplinary action up to and including termination of employment for failure to do so.

The Company wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, the Company prohibits the possession, transfer, sale, or use of such materials on its premises. The Company requires the cooperation of all employees in administering this policy.

Company-issued desks, lockers, and other storage devices along with cell phones/ smart phones, laptop/desktop computers, and other electronic devices may be provided for the convenience of employees but remain the sole property of the Company. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of the Company at any time, either with or without prior notice.

Company voice mail and/or electronic mail (e-mail) are for business purposes. The Company reserves the right to monitor voice mail messages, email messages, text messages, chat logs, and instant messaging to ensure compliance with its policies, with or without notice to the employee and at any time, not necessarily in the employee's presence.

The Company discourages theft or unauthorized possession of the property of employees, the Company, visitors, and clients. To facilitate enforcement of this policy, the Company or its representative may inspect not only desks and lockers but also persons entering and/or leaving the premises and any packages or other belongings. Any employee who wishes to avoid inspection of any articles or materials should not bring such items onto the Company's premises.

In addition, there may be an occasion where management may need to conduct an internal investigation as a result of an employee's performance or behavior issue. The purpose of an investigation is to determine the facts prior to management taking a course of action. Whether an employee may be the subject of the investigation, the complaining employee, a witness or an employee who may be questioned, they will be expected to cooperate in all phases of this investigation as a condition of employment. Any employee who refuses to cooperate in this investigation is subject to disciplinary action up to and including termination of employment.

4.10. Business Conduct and Ethics

Employees must decline or return any gift or gratuity from any client, vendor, supplier, or other person doing business with the Company. In doing so, please explain that the Company prohibits employees from accepting gifts or gratuities to ensure that business decisions, transactions, and services are provided on an objective and professional basis.

4.11. Employee References and Verifications

The Company is concerned about the accuracy of information provided to individuals regarding current or former employees. Consequently, no employee may provide (either on or off-the-record) any information regarding current or former employees to any non-employee without the specific written approval of the Corporate Office. This includes letters of reference.

The Corporate Office should be promptly advised of any formal or informal requests for information about current or former employees. The Company's normal policy is to verify only a former employee's dates of employment, and position or positions held.

Employees wishing to receive either an employment reference or an employment verification should provide written authorization to the Company. The Company's policy is to disclose only the dates of employment and the title of the last position held.

4.12. Confidentiality

As part of an employee's job duties and responsibilities at the Company, the employee may learn or be entrusted with sensitive information of a confidential nature, including trade secrets. Any information, including but not limited to sales figures or projections; estimates; customer lists; customer purchasing habits; customer delivery preferences; computer processes, programs, and codes; marketing methods, programs, or related data; independent contractors; tax records; personal history or actions; and accounting procedures, shall be considered and kept as private and confidential records of the Company and must only be used in performing work for the Company and must not be divulged to any firm, individual, or institution, except on the direct written authorization of the Company Corporate Office. Failure to honor this confidentiality requirement may result in disciplinary action up to and including termination of employment.

Confidential information is a valuable asset of the Company, developed over a long period of time and at substantial expense. To protect the Company's competitive goals and interest in this valuable asset, employees must (a) not use any confidential information for their personal benefit or for the benefit of any person or entity other than the Company and (b) use their best efforts to limit access to confidential information to those who have a need to know it for the business purposes of the Company. In addition, employees should minimize those occasions on which they take documents, computer disks or a laptop containing such confidential information outside the Company. On those occasions where it is necessary, consistent with the best interests of the Company and doing an employee's job effectively, to take documents, computer disk or a laptop containing confidential information outside the office, all appropriate precautionary and security measures should be taken to protect the confidentiality of the information. During the course of their employment with the Company, the employee will be provided with and will generate correspondence, memoranda, literature, reports, summaries, manuals, proposals, suppliers, vendors, contracts, customer lists, prospect lists, and other documents and data concerning the

business of the Company. Any and all such records and data, whether maintained in hard copy or on a computer or other medium, is the property of the Company, regardless of whether it contains confidential information. Upon termination of their employment, the employee is required to return all such records to the Company and may not retain any copy of such records or make any notes regarding such records. The Company reserves the right to search for such information and property in personal items while on Company premises such as vehicles, purses, briefcases, etc.

Upon separation from the Company, for any reason, employees are expected to continue to treat as private and confidential any such confidential information or trade secrets of the Company. Such confidential information and trade secrets should not be used, divulged, or communicated to any person or entity without the express written approval of the Corporate Office. The Company will pursue legal remedies for unauthorized use or disclosure of the Company's confidential information or trade secrets.

4.13. Employee Dress and Personal Appearance

All employees are expected to maintain the highest level of personal grooming and appearance. An employee's personal appearance on the job creates a strong and lasting impression people have of the employee and is second in importance only to their personal conduct. To this end, the Company has provided the employee with a high quality uniform. The exact type of uniform an employee is required to wear will depend on their post assignment.

A clean, neat look and good personal hygiene is mandatory. Employees should keep uniforms clean and change their shirt and trousers/skirt daily. Use deodorants, but do not overuse strong perfumes. Apparel advertising or bearing the logo of a competitor of the Company is not to be worn while on duty. The following are specific uniform requirements:

- 1) Unless otherwise specified, all officers will wear the prescribed uniform:
 - a) ***Standard Uniform*** – Black Pants, White Shirt. Black Hat and Black Jacket may be worn for outdoor assignments
 - b) Unauthorized pins, insignias, buttons, patches or devices on uniform shirt or jacket are not permitted.
 - c) The Company normally issues the following uniform items (all uniform items including additions may also be purchased by the employee at cost if the employee so desires):
 - Uniform Pants – Two (2) Pair of Pants
 - Uniform Shirts – Two (2) Shirts, Long / Short Sleeve or one of each
 - Uniform Jacket – One (1) Jacket

- Uniform Hat – One (1) Hat
- 2) All Duty Belts and Duty Gear must be approved by the Company prior to carriage on duty. Officers must possess the appropriate licenses and have proof of those licenses on their person at all times when on duty, in order to carry approved Duty Gear while on duty.
- 3) Black footwear of a proper type/brand as approved by the Company (normally a high-top or mid-top combat or work style boot) is to be worn on duty; this does not include black athletic shoes. The heel will be no greater than 1 1/2 inches in height. Officers on bicycle patrol may wear either a bicycle shoe or a black tennis shoe.
- 4) Jackets, overcoats, windbreakers and rain slickers must normally be black and must be approved by the Company. All jackets, overcoats, windbreakers but not rain slickers must have the Company patch attached to each upper sleeve, left and right. Rain slickers must have the word SECURITY emblazoned on the upper back of the garment.
- 5) Security officers will appear on duty with a neat haircut and must be clean shaven.
- 6) No beards are to be worn at any time, unless on special assignment. Moustaches are permitted but they may not extend below the bottom of the upper lip. Handlebar mustaches are not permitted. Although a clean shave is required, sideburns are permitted (not past middle of the ear) if a clean, neat appearance is maintained, and such appearance is acceptable to the client.
- 7) Hair is not to touch the collar of the shirt when loose. Hair, if longer than the collar, must be pulled back, away from the face, and not touch the collar. Hair ties or other accessories should be plain and without large adornments or decoration.
- 8) Hair, if dyed, should be within the spectrum of natural hair colors. No extreme patterns or colors (e.g. green) are permitted.
- 9) Jewelry or earrings (other than wedding rings) may not be worn while on duty and in uniform.
- 10) Chains and/or necklaces are to be worn under the uniform. They cannot be visible from the outside. It is highly recommended that employees not wear anything around the neck, as it presents a choking hazard in a scuffle.
- 11) All tattoos must remain covered at all times while on duty.
- 12) Personal hygiene is a must and is subject to “spot checks” by the management staff and/or patrol supervision. Poor or unacceptable hygiene is cause for an Employee to be removed from a shift and sent home with no further pay for that shift, unless the problem can be solved on site.

- 13) All uniforms must be maintained in a clean and unwrinkled condition.
- 14) Uniforms may not be worn when off-duty except in travel to and from an employee's assigned post. If an employee wears their uniform when traveling to and from work, they must cover the uniform with a jacket or shirt to hide any the Company identifying insignia. However, all employees must report to their post in uniform.
- 15) Officers in uniform may not enter bars, cocktail lounges, taverns, or other places where alcoholic beverages are being served unless assigned to such a place while on duty.
- 16) Security officers are also required to arrive to their post in uniform. Dressing in uniform after arriving to a post will not be tolerated. In some cases, an employee will be removed from a job site or sent home until properly dressed. This may result in loss of hours worked.

Proper Uniform Care

Employees' uniform may be laundered with regular clothing. No special care is required. However, employees should promptly remove it from the dryer to avoid wrinkling. All Company assigned uniforms are wash & wear (i.e., can be washed and dried in a normal residential washer and dryer).

Uniform Return

Upon resignation or termination of their employment from the Company, the employee must return all uniforms and equipment in clean, reusable, serviceable condition.

Employees may be subject to cleaning and/or replacement costs for any uniform item or equipment item damaged through gross negligence or recklessness of the employee.

Employees should consult with their supervisor if they have questions as to what constitutes appropriate attire. Employees who appear for work inappropriately dressed will be subject to disciplinary action, up to and including termination of employment. In some cases, employees may be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work.

Request for Reasonable Accommodation

Any employee who requires an accommodation for any reason protected by law, including based on a religious belief and/or religious practice (including religious dress and grooming practices), or based on traits historically associated with race, including, but not limited to, hair texture and protective hairstyles, should contact their supervisor, Human Resources Department, or the Corporate Office and request such an accommodation. Reasonable accommodation will be granted unless it would cause an undue hardship on the Company.

No Retaliation

The Company prohibits any form of discipline, reprisal, intimidation or retaliation for requesting a reasonable accommodation for grounds protected by federal, state or local law.

SECTION 5: FACILITIES

5.1. Policy against Workplace Violence

The Company is firmly committed to providing a workplace that is free from acts of violence or threats of violence. Although some kinds of violence result from societal problems that are beyond the Company's control, the Company believes that measures can be adopted to increase protection for employees and to provide a secure workplace. In keeping with this commitment, it has established a strict policy that prohibits any employee from threatening or committing any violence in the workplace, while on duty whether on Company property or a client's property, while on Company-related business, or while operating any vehicle or equipment owned or leased by the Company. Acts or threats of physical violence, including intimidation, harassment, and/or coercion, that involve or affect the Company or that occur on Company property or in the conduct of Company business off Company property, will not be tolerated. This prohibition against threats and acts of violence applies to all persons involved in Company operations, including, but not limited to, personnel, contract workers, temporary employees, and anyone else on Company property or conducting Company business off Company property. Violations of this policy, by any individual, will lead to disciplinary and/or legal action as appropriate. This policy applies to all employees, including managers, supervisors, and non-supervisory employees and applies to all work locations, including, but not limited to, the Company office and client sites.

In order to achieve its goal of providing a workplace that is secure and free from violence, the Company must enlist the support of all employees. Compliance with this policy and the Company's commitment to a "zero tolerance" policy with respect to workplace violence is every employee's responsibility.

Employees are required to report any incident involving a threat of violence or act of violence immediately to their supervisor or, if they prefer, the Corporate Office. The supervisor must report the matter immediately to the Corporate Office who will ensure that the incident is investigated and take appropriate corrective action. This may include the imposition of disciplinary action upon any employee who violates this policy, up to and including immediate termination.

If employees become aware of any workplace security hazards or identify methods of increasing security in the workplace, they should report that information to their supervisor or the Corporate Office as well. Employees are required to report violations of this policy, including any incidents involving actual or threatened violence.

Further information regarding the Company's anti-violence policies and workplace security is included in the Company's Injury and Illness Prevention program.

To assure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of all employees and the Company. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following examples list some, but certainly not all of the violations of rules of conduct that may result in disciplinary action, up to and including termination of employment.

- 1) Fighting or threatening violence in the workplace.
- 2) Boisterous or disruptive activity in the workplace.
- 3) Negligence or improper conduct leading to damage of employer-owned or client-owned property.
- 4) Insubordination or other disrespectful conduct.
- 5) Violation of safety or health rules.
- 6) Violation of Company Use of Force Policy.

Employment with the Company is at the mutual consent of the Company and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice. All employees are at-will employees.

This policy is intended to bring the Company into compliance with existing legal provisions requiring employers to provide a safe workplace; it is not intended to create any obligations beyond those required by existing law.

Definitions

Workplace violence is any intentional conduct that is sufficiently severe, offensive, or intimidating to cause an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property such that employment conditions are altered or a hostile, abusive, or intimidating work environment is created for one or several of the Company's employees. Workplace violence may involve any threats or acts of violence occurring on Company premises, regardless of the relationship between the Company and the parties involved in the incident. It also includes threats or acts of violence that affect the business interests of the Company or that may lead to an incident of violence on Company premises. Threats or acts of violence occurring off Company premises that involve employees, agents, or individuals acting as a representative of the Company, whether as victims of or active participants in the conduct, may also constitute workplace violence, although activities or conduct occurring off Company premises is generally

outside the course and scope of employment. Specific examples of conduct that may constitute threats or acts of violence under this policy include, but are not limited to, the following:

- 1) Threats or acts of physical or aggressive contact directed toward another individual;
- 2) Threats or acts of physical harm directed toward an individual or their family, friends, associates, or property;
- 3) The intentional destruction or threat of destruction of Company property or another employee's property;
- 4) Harassing or threatening phone calls, e-mails, and/or text messages;
- 5) Surveillance;
- 6) Stalking;
- 7) Veiled threats of physical harm or similar intimidation; and
- 8) Any conduct resulting in the conviction under any criminal code provision relating to violence or threats of violence that adversely affects the Company's legitimate business interests.

Workplace violence does not refer to occasional comments of a socially acceptable nature. These comments may include references to legitimate sporting activities, popular entertainment, or current events. Rather, workplace violence refers to behavior that is personally offensive, threatening, or intimidating.

Enforcement

Any person who engages in a threat or violent action on Company property may be removed from the premises as quickly as safety permits and may be required, at the Company's discretion, to remain off Company premises pending the outcome of an investigation of the incident.

When threats are made or acts of violence are committed by employee(s), a judgment will be made by the Company as to what actions are appropriate, including possible medical evaluation and/or possible disciplinary action.

Once a threat has been substantiated, it is the Company's policy to put the threat maker on notice that the employee will be held accountable for their actions and then implement a decisive and appropriate response.

Under this policy, decisions may be needed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing. No existing policy or procedure

of the Company should be interpreted in a manner that prevents the making of these necessary decisions.

Important Note: The Company will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon by the Company. In making this determination, the Company may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment.

5.2. Operation of Vehicles

Employees will not, under any circumstances, operate any type of vehicle (motorized or not) belonging to the client, the client's employees, or the Company unless previously authorized to do so by the Company in writing. Employees may not have any unauthorized person in a Company or client vehicle at any time. Unauthorized persons include, but are not limited to, friends, family members, and anyone else who is not specifically authorized by the client or the Company. The Company's vehicles may not be used for personal activities. Insurance requirements make this mandatory and violations will result in disciplinary action up to and including termination of employment.

Employees must retain a current, valid driver's license, be eighteen (18) years of age or older and have no more than two (2) points on their driving record (as determined by the California Department of Motor Vehicles for California employees) to operate any vehicle belonging to the Company or clients. Employees violating this policy will be subject to immediate discipline, up to and including termination. Employees must be approved by the Company's vehicle insurance carrier prior to driving a Company vehicle. If an employee has not been notified by Company management that they have been approved, they may not drive a Company or client vehicle.

All employees required to drive Company-owned or Company-leased vehicles or to rent vehicles for use in conducting Company business must authorize the Company to receive a Department of Motor Vehicles printout of the employee's driving record and a copy of their driver's license to the Company. Such employees must report any change in license status or driving record to management immediately. From time to time, the Company or its insurance carrier will request reports from the Department of Motor Vehicles regarding the license status and driving record of employees whose job responsibilities require driving. In the event that the license status or driving record of any employee whose job responsibilities require driving becomes unacceptable to management or the Company's insurance carrier, that employee may be restricted from driving, reassigned, suspended, or terminated, at management's discretion, to the fullest extent allowed by law.

It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers should demonstrate safe driving habits and not drive too fast or recklessly.

Anytime an employee is pulled over while driving a Company vehicle, the employee must report the incident by the end of the shift. Failure to maintain a good driving record may preclude the employee from driving on Company business due to insurance coverage requirements.

Certain employees may drive their own personal vehicles while conducting Company business, but only with prior authorization from Company Management. These employees must maintain adequate personal automobile liability insurance. Employees doing so should promptly submit an expense report detailing the number of miles driven on Company business. The Company will pay mileage reimbursement in accordance with applicable reimbursement rates. Employees are expected to observe the above policies while on Company business, even if driving their own personal vehicles.

Company vehicles, like employees, are the visible symbol of the Company. Not only must they be presented to the public in a clean and neat fashion, but also must be driven while obeying all safety and vehicle operating laws. Emergencies (or response to the Company's clients' calls for service, no matter how urgent) do not authorize employees to drive in violation of traffic laws.

The following must be observed at all times while operating a vehicle:

- 1) Seat belts must be worn at all times that a vehicle is in operation.
- 2) Exceeding the posted speed limit at any time is forbidden.
- 3) Always drive defensively and according to weather conditions.
- 4) Headlights are to be turned on while driving, regardless of the time of day. Remember to turn them off after parking the vehicle.
- 5) Client vehicles of any type, including golf carts or forklifts, motorized or not, are not to be used unless specific authorization in writing is given by the Company.

5.3. Prohibited Use of Cell Phone While Driving On Company Business and/or On Company Time

In the interest of the safety of its employees and other drivers, Company employees are prohibited from using cell phones while driving on Company business and/or Company time, including but not limited to: voice calls, sending, reading, or reviewing text messages and/or e-mails, setting navigation, or any other uses of cell phones and/or mobile devices while driving. Employees who are charged with traffic violations resulting from cell phone and/or mobile device use while driving will

be solely responsible for all liabilities that result from such actions. Violations of this policy will result in disciplinary action, up to and including termination of employment.

If an employee's job requires that they keep their cell phone turned on while driving, they must use a hands-free device. The employee must pull off the road before conducting Company business. If no safe place is available, the employee should wait to speak on the phone until after they have reached their destination or found a safe place to park. Under no circumstances should employees place or receive any phone calls when operating a motor vehicle while driving on Company business and/or Company time. In addition, a person under the age of eighteen (18) years is prohibited from driving a motor vehicle while using a wireless telephone, even if equipped with a hands-free device, or while using a mobile service device. The prohibition would not apply to such a person using a wireless telephone or a mobile service device for emergency purposes. Finally, Employees are prohibited from reading and/or sending text messages and/or e-mail messages when operating a motor vehicle while driving on Company business and/or Company time. Violating this policy is a violation of California law and is also a violation of Company rules.

Employees who violate this policy may be subject to disciplinary action, up to and including termination of employment. Please be further advised that any employee who is in violation of this policy is acting outside the course and scope of their employment.

5.4. Telephone Use

This policy outlines cellular telephone use at work, and the safe use of cellular telephones by employees while driving.

Personal Cellular Phone Use and Reimbursement

While the Company may generally furnish a work phone for use at a work site, Employee agrees that the Company will install an electronic time and record keeping application on employee's personal electronic device, including but not limited to smartphones, tablets, wearable technology, computers, mobile phones, and cellphones ("devices"), to perform work for the Company such as tracking the employee's hours worked, and meal periods, as well as logging employee's daily activity reports ("D.A.R."), occasional telephone calls, email correspondence and/or text messages on the Company's behalf. However, to protect the Company and its employees, any use of a device on behalf of the Company must conform to this policy as described below. In addition, each user is responsible for using their device in a sensible, productive, ethical, and lawful manner.

This policy applies to work performed on a device on the Company's behalf during working and nonworking hours, on and off of the Company's premises or any worksite at which Employee is assigned to work.

Limitations on Expectation of Privacy

All material, data, communications, and information, including but not limited to email (both outgoing and incoming), telephone conversations and voicemail, instant messages, and internet and social media postings and activities created on, received or transmitted by, printed from, or stored or recorded on the device for the Company's business or on behalf of the Company ("Company Content") is the property of the Company, regardless of who owns the device(s) used.

The employee is expressly advised that in order to prevent misuse of Company Content and ensure compliance with Company's policies and procedures and all applicable laws, the Company reserves the right to monitor, intercept, review, and remotely wipe, without further notice, all Company Content, in the Company's sole discretion. This might include, without limitation, the monitoring, interception, accessing, recording, disclosing, inspecting, reviewing, retrieving, and printing of transactions, messages, communications, postings, logins, recordings, and other uses of the device, whether the device is in the employee's possession or the Company's possession. Therefore, the employee should have no expectation of privacy whatsoever in any Company Content. While the Company will provide advance notice where possible and will take reasonable precautions to avoid the loss of their personal content if the device must be wiped to protect Company Content, it is the employee's responsibility to regularly back up their personal content so that they do not lose personal information if the device is wiped.

The Company may also make and preserve copies of all Company Content, including any location tracking data that the electronic time and report keeping application collects from the employee's device, in the Company's sole discretion, for a period of time after those copies are created and may delete those copies from time to time without notice. In addition, the Company may obtain and disclose copies of any Company Content for litigation, investigations, and as otherwise required by law.

The employee understands and agrees that the electronic time and report keeping application may collect geolocation and other data, such as the time and physical location that the employee uses their device, and they explicitly allow the Company to access and use this information to carry out the Company's business, including but not limited to compliance with all applicable laws and regulations, timekeeping, payroll, and D.A.R. tracking and reporting, administering and maintaining the Company's operations, Company investigations and/or litigation, conducting internal audits, and maintaining insurance policies. It is not the Company's intention to view any such data collected during non-working hours, but the Company may inadvertently view this data when viewing the collected data collected for working hours.

By signing the Handbook acknowledgment at the end of this Handbook, the employee understands and consents to the Company monitoring, intercepting, reviewing, copying, disclosing, collecting and remotely wiping all Company Content, and data collected by the electronic time and report keeping application, in the Company's sole discretion. The

employee also agrees that the use of any device for the Company's business or on behalf of the Company is at their own risk and the Company will not be responsible for any losses, damages, or liability arising out of the use of any device for the Company's business or on behalf of the Company under this policy, including any loss, corruption, or use of any content or loss of access to or use of any device, its software, or its functionality, unless the employee's device is damaged or requires replacement as a result of their use of the device for the Company's business or work purposes not due to the employee's gross negligence or recklessness.

Security Requirements – General

All devices used for the Company's business or on behalf of the Company must be registered with and authorized by the Human Resources Department, President/CEO or Vice President/CMO.

To protect the Company's confidential business information from being lost or becoming public, an employee must immediately report any device used for the Company's business or on behalf of the Company that is lost, stolen, accessed by unauthorized persons, or otherwise compromised so the Company can assess the risk and, if necessary, remotely wipe all of the Company Content, in the Company's sole discretion. Employees must also promptly provide the Company with access to the device when requested or required for the Company's legitimate business purposes, including in the event of any security incident, investigation, or litigation.

When using their device for the Company's business, employees must:

- 1) Password protect the device through the use of strong passwords.
- 2) Maintain the device's settings such that the device locks itself and requires a password if it is idle for one minute and use of the device is suspended after three failed login attempts.
- 3) Maintain the device's original operating system and keep it current with security patches and updates.
- 4) Prohibit access to the electronic time and report keeping application or any Company Content, including, but not limited to the Company's confidential information and trade secrets, on their device by anyone not authorized by the Company, including their family, friends, and business associates.
- 5) Unless authorized by a supervisor, or the Human Resources Department, not download or transfer work product or sensitive business content.
- 6) Not back up or otherwise store Company Content to cloud-based storage or services without the Company's consent. Any such backups or other stored copies of Company Content inadvertently created must be deleted immediately.

- 7) Not transmit any Company Content or Company information over an unsecured Wi-Fi network.

At all times, the employee must use their best efforts to physically secure the device against loss, theft, damage, or use by persons who have not been authorized to access the device by the Company.

Appropriate Use

The Company's policies prohibiting harassment, discrimination, and retaliation apply to the use of all devices under this policy. The employee may not use any device in a manner that may be construed by others as harassing or offensive based on race, including hairstyles associated with race, color, national origin, ancestry, sex, gender, transgender status, gender identity, gender expression, age, sexual orientation, religion or creed, including religious dress and grooming practices, physical or mental disability, requesting accommodation for disability or religious beliefs, medical condition, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, citizenship status, military or veteran status, genetic characteristics or information, or any other basis protected by applicable federal, state, or local law.

Nonexempt employees using their own devices under this policy must record all time spent working. Nonexempt are not permitted to use their devices for work purposes during nonworking hours without prior written authorization from the Company but must record all time spent working whether it is during working or nonworking hours.

Any employee who discontinues use of their device under this policy or leaves the Company's employ must allow the Company to remove any Company Content or the Company's work product from their device and to disable any software or services provided by the Company.

The Company prohibits employees from talking, texting, emailing, or otherwise using a mobile or other electronic device, regardless of who owns the device, while operating the Company's vehicles, machinery, or equipment, or while operating personal vehicles, machinery, or equipment for the Company's business or on behalf of the Company. Employees must also comply with any applicable federal, state, or local law restricting the use of mobile or other electronic devices while operating vehicles, machinery, or equipment. For their own health and safety and the health and safety of others, employees should not use their devices while operating vehicles, machinery, or equipment of any kind.

Technological Support

Except for any electronic time and report keeping application, the Company does not provide technological support for personal employee devices. By signing the Handbook acknowledgment at the end of this Handbook, the employee acknowledges that the employee alone is responsible

for any repairs, maintenance, or replacement costs and services, unless the employee's device is damaged or requires replacement as a result of their use of the device for the Company's business or work purposes but not due to the employee's gross negligence or recklessness.

Costs and Reimbursements

The Company will reimburse employees an amount determined by the Company for the use of their personal cellular phones. Employees are required to know the limits of their particular cellular rate plan such as the peak and off-peak minutes included in the monthly plan, data limits, text message limits, and roaming charges. The Company has determined that the reimbursed amount is more than adequate to cover all costs associated with employee device usage for work purposes. However, if an employee feels the allowance does not adequately cover the Company's business related usage, the employee should contact their supervisor immediately.

Consequences for Failure to Comply

Employees who violate any provision of this policy are subject to discipline, up to and including termination of employment.

Administration of This Policy

The Company expressly reserves the right to change, modify, or delete the provisions of this Cell Phone Use and Reimbursement Policy without notice. If an employee has any questions about this policy, they should contact the Corporate Office.

Conduct Not Prohibited by This Policy

This policy is not intended to preclude or dissuade employees from engaging in any legally protected activities/activities protected by state or federal law, including the National Labor Relations Act such as discussing wages, benefits, or terms and conditions of employment, forming, joining, or supporting labor unions, bargaining collectively through representatives of their choosing, raising complaints about working conditions for their and their fellow employees' mutual aid or protection, or legally required activities.

Personal Phone Calls During Work Hours

Excessive personal calls during the workday, regardless of the telephone used, can interfere with employee productivity and be distracting to others. A reasonable standard the Company encourages is to limit personal calls during work time to an "as needed" or emergency basis. Employees are therefore asked to make any other personal calls during non-work or break time, where possible, and to ensure that friends and family members are aware of the Company's policy. Flexibility will be provided in circumstances demanding immediate attention.

Authorized Use of Company Provided Cellular Telephones

Where job or business needs demand immediate access to an employee, the Company may issue a business cellular telephone to an employee for work-related communications. In order to protect the employee from incurring a tax liability for the personal use of this equipment, such telephones are to be used for business reasons only. Therefore, Employees have no right of privacy as to any information or file maintained in or on the Company provided telephone. Telephone logs will be audited regularly to ensure no unauthorized use has occurred. Employees may not delete or copy any information on the cellular telephone and may not download any application or software on the cellular telephone without prior written authorization from the Company.

Employees who receive an alert while on-duty are expected to return the alert within fifteen (15) minutes from receipt. If the company cellular telephone is going to be off or out of signal range for any reason, the employee must contact the Company Dispatch and let Dispatch know why and how long the cellular telephone will be off the air, then call dispatch back when the Employee is back on the air.

Employees in possession of Company equipment such as cellular telephones are expected to protect the equipment from loss, damage or theft. Furthermore, the Company's policies prohibiting harassment, discrimination, and retaliation apply to the use of the Company cellular telephone. Employees may not use the Company's cellular phone in a manner that may be construed by others as harassing or offensive based on race, including hairstyles associated with race, color, national origin, ancestry, sex, gender, transgender status, gender identity, gender expression, age, sexual orientation, religion or creed, including religious dress and grooming practices, physical or mental disability, requesting accommodation for disability or religious beliefs, medical condition, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, citizenship status, military or veteran status, genetic characteristics or information, or any other basis protected by applicable federal, state, or local law.

Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the telephone for return or inspection. Employees unable to present the telephone in good working condition within the reasonable time period requested may be expected to bear the cost of replacement to the extent allowed under the law.

Employees who separate from employment with outstanding debts for equipment loss or unauthorized charges will be considered to have left employment on unsatisfactory terms and may be subject to legal action for recovery of the loss.

Safety Issues for Cellular Telephone, Pager and Two-Way Radio Use

Employees whose job responsibilities include driving who are issued a cellular telephone, pager or two-way radio for business use are expected to refrain from using these devices while driving. **Safety must come before all other concerns.** Regardless of the circumstances, including slow or

stopped traffic, employees are strongly encouraged to pull off to the side of the road and safely stop the vehicle before placing or accepting a call or otherwise using the device. If acceptance of a call is unavoidable and pulling over is not an option, employees are expected to keep the call short, use hands-free options, refrain from discussion of complicated or emotional discussions and keep their eyes on the road. Special care should be taken in situations where there is traffic, inclement weather or the employee is driving in an unfamiliar area. **Under no circumstances may any employee use a cellular phone or otherwise operate the device in a moving vehicle without a hands-free device.**

5.5. Use of Technology and the Internet

The Company's technical resources--including, but not limited to, desktop and portable computer systems, file servers, terminal servers, fax machines, internet and World Wide Web (Web) access, voice mail, cell phones, including cell phone voicemail and text messages, electronic mail (e-mail), and its intranet--enable employees quickly and efficiently to access and exchange information throughout the Company and around the world. When used properly, these resources greatly enhance employee productivity and knowledge. In many respects, these new tools are similar to other Company tools, such as stationery, file cabinets, photocopiers, and telephones. Because these technologies are both new and rapidly changing, it is important to explain how they fit within the Company and within an employee's responsibilities.

This policy applies to all technical resources that are owned or leased by the Company, that are used on or accessed from Company premises, or that are used for Company business. This policy also applies to all activities using any Company-paid accounts, subscriptions, or other technical services, such as internet and Web access, voice mail, e-mail, chat logs, and instant messaging, whether or not the activities are conducted from Company premises. Any other form of electronic communication used by employees currently or in the future is also intended to be encompassed under this policy. Every employ of the Company is subject to this policy and is expected to read, understand, and comply with its provisions.

NOTE: As the employee uses the Company's technical resources, it is important to remember the nature of the information created and stored there. Because they seem informal, e-mail messages are sometimes offhand, like a conversation, and not as carefully thought out as a letter or memorandum. Like any other document, an e-mail message or other computer information can later be used to indicate what an employee knew or felt. The employee should keep this in mind when creating e-mail messages and other documents. Even after the employee deletes an e-mail message or closes a computer session, it may still be recoverable and may even remain on the system.

Acceptable Uses

The Company's technical resources are provided for the benefit of the Company and its clients, vendors, and suppliers. These resources are provided for use in the pursuit of Company business and are to be reviewed, monitored, and used only in that pursuit, except as otherwise provided in this policy.

Employees have no right of privacy as to any information or file maintained in or on the Company's property or transmitted or stored through the Company's computer, voice mail, e-mail, or telephone systems.

Unacceptable Uses

The Company's technical resources should not be used for personal gain or the advancement of individual views. Employees who wish to express personal opinions on the internet are encouraged to obtain a personal account with a commercial internet service provider and to access the internet without using Company resources.

Solicitation for any non-Company business or activities using Company resources is strictly prohibited. The employee's use of the Company's technical resources must not interfere with their productivity, the productivity of any other employee, or the operation of the Company's technical resources.

The employee should not use the Company's technical resources to send e-mail or other communications that either mask their identity or indicate that they were sent by someone else. The employee should never access any technical resources using another employee's password. Similarly, the employee should only access the libraries, files, data, programs, and directories that are related to their work duties. Unauthorized review, duplication, dissemination, removal, installation, damage, or alteration of files, passwords, computer systems or programs, or other property of the Company, or improper use of information obtained by unauthorized means, is prohibited.

Sending, saving, or viewing offensive material is prohibited if not in the course and scope of employment. Messages stored and/or transmitted by computer, voice mail, e-mail, chat logs, instant messaging, or telephone systems must not contain content that may reasonably be considered offensive to any employee. Offensive material includes, but is not limited to, sexual comments, jokes or images, racial slurs, gender-specific comments, or any comments, jokes or images that would offend someone on the basis of their race, color, national origin or ancestry, gender/sex, gender identity, gender expression, age, physical or mental disability, perceived disability or perceived potential disability, pregnancy or perceived pregnancy, childbirth, breastfeeding or related medical conditions, religion (including religious dress and grooming practices) or creed, requesting accommodation for disability or religious beliefs, marital status, registered domestic partner status, medical condition (including HIV and AIDS), citizenship,

military and veteran status, sexual orientation, genetic characteristics, genetic information (including information from the employee's genetic tests, family members' genetic tests, and the manifestation of a disease or disorder in the employee's family members), driver's license status, receiving public assistance, political affiliation, as well as any other category protected by federal, state, or local laws. Any use of the internet/ Web or intranet to harass or discriminate is unlawful and strictly prohibited by the Company. In addition, use of technical resources that is with malice or that a reasonable person would find hostile, offensive, and unrelated to the Company's legitimate business interests is also strictly prohibited. Violators will be subject to disciplinary action, up to and including termination of employment.

The Company does not consider conduct in violation of this policy to be within the course and scope of employment or the direct consequence of the discharge of one's duties. Accordingly, to the extent permitted by law, the Company reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

Access to Information

The Company asks employees to keep in mind that when they are using the Company's technical resources, they are creating Company information using a Company asset. The Company respects the individual privacy of its employees. However, that privacy does not extend to an employee's work-related conduct or to the use of Company-provided technical resources or supplies.

The Company's computers, voice mail, e-mail, cell phones or telephone systems, and the data stored on them (including chat logs and instant messaging logs) are and remain at all times the property of the Company. As a result, computer data, voice mail messages on Company phones and Company-provided cell phones, e-mail messages, text messages and other data are readily available to numerous persons. If, during the course of employment, an employee performs or transmits work on the Company's computer system and other technical resources, their work may be subject to the investigation, search, and review of others in accordance with this policy.

All information, including e-mail messages and files, that is created, sent, or retrieved over the Company's technical resources is the property of the Company, and should not be considered private or confidential. Employees have no right to privacy as to any information or file transmitted or stored through the Company's computer, voice mail, cell phone, e-mail, text messages or telephone systems. Any electronically stored information that an employee creates, sends to, or receives from others may be retrieved and reviewed when doing so serves the legitimate business interests and obligations of the Company. Employees should also be aware that, even when a file or message is erased or a visit to an internet or website is closed; it is still possible to recreate the message or locate the website. The Company reserves the right to monitor employees' use of its technical resources at any time. All information including text and images may be disclosed to law enforcement or to other third parties without prior consent of the sender or the receiver.

Copyrighted Materials

Employees should not copy and distribute copyrighted material (e.g., software, database files, documentation, articles, graphics files, and downloaded information) through the e-mail system or by any other means unless they have confirmed in advance from appropriate sources that the Company has the right to copy or distribute the material. Failure to observe a copyright may result in disciplinary action by the Company, up to and including termination of employment, as well as legal action by the copyright owner. Any questions concerning these rights should be directed to a supervisor.

Confidential Information

E-mail and internet/Web access are not entirely secure. Others outside the Company may also be able to monitor an employee's work e-mail and internet/Web access. For example, internet sites maintain logs of visits from users; these logs identify which company, and even which particular person, accessed the service. If an employee's work using these resources requires a higher level of security, the employee should ask their supervisor or the Corporate Office for guidance on securely exchanging e-mail or gathering information from sources such as the internet or Web.

All employees should safeguard the Company's confidential information as defined in this Handbook, as well as that of clients and others, from disclosure. Do not access new voice mail or e-mail messages with others present. Messages containing confidential information should not be left visible while the employee is away from their work area.

It is best if e-mail messages containing confidential information include the following statement, in all capital letters, at the top of the message: **CONFIDENTIAL: UNAUTHORIZED USE OR DISCLOSURE IS STRICTLY PROHIBITED.**

Security of Information

Although the employee may have passwords to access computer, voice mail, and e-mail systems, these technical resources belong to the Company, are to be accessible at all times by the Company and are subject to inspections by the Company with or without notice. The Company may override any applicable passwords or codes to inspect, investigate, or search an employee's files and messages. All passwords must be made available to the Corporate Office upon request. The employee should not provide passwords to other employees or to anyone outside the Company and should never access any technical resources using another employee's password.

In order to facilitate the Company's access to information on its technical resources, the employee may not encrypt or encode any voice mail or e-mail communication or any other files or data stored or exchanged on Company systems without the express prior written permission from the Corporate Office. As part of this approval, the Corporate Office will indicate a procedure for the

employee to deposit any passwords, encryption keys or codes, or software with the Corporate Office so that the encrypted or encoded information can be accessed in the employee's absence.

Employee Responsibilities

Each employee is responsible for the content of all text, audio, or images that they place, view or send over the Company's technical resources. Employees may access only files or programs, whether computerized or not, that they have permission to enter.

Violations of any guidelines in this policy may result in disciplinary action, up to and including termination of employment. In addition, the Company may advise appropriate legal officials of any violations it believes are illegal.

5.6. Use of Social Networking and Social Media

General Policy

The Company understands that social media can be a fun and rewarding way to share the employee's life and opinions with family, friends, co-workers, and the public at large. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist the employee in making responsible decisions about their use of social media, the Company has established these guidelines for appropriate use of social media. This policy applies to all employees.

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the internet, including posting to the employee's own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether or not associated or affiliated with the Company, as well as any other form of electronic communication. Examples of common social media sites include Facebook, Twitter, LinkedIn, Pinterest, Google+, Instagram, Snapchat, and TikTok.

The same principles and guidelines found in the Company's policies regarding standards of conduct, which are incorporated into this policy, apply to the employee's activities online. Ultimately, employees are solely responsible for what they post online.

Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of the employee's conduct that adversely affects their job performance, the performance of fellow employees or otherwise adversely affects other employees, clients, suppliers, or the Company's reputation and legitimate business interests may result in disciplinary action up to and including termination.

All employees are expected to adhere to the following policies and guidelines.

1) Be Careful About Postings.

Inappropriate postings that may include discriminatory remarks, harassment, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject an employee to disciplinary action up to and including termination as well as civil and criminal liability.

2) Be Respectful.

Always be fair and courteous to fellow employees, clients and others. Also, keep in mind that the employee is more likely to resolve work-related complaints by speaking directly with their co-workers, supervisor or by using the Company's Open Door Policy rather than by posting complaints to a social media outlet. Nevertheless, if an employee decides to post complaints or criticism, employees should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage clients, other employees, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.

3) Be Honest and Accurate.

Make sure the employee is always honest and accurate when posting information or news, and if they make a mistake, correct it quickly or remove the item. Be open about any previous posts an employee may have altered.

Remember that the internet archives almost everything; therefore, even deleted postings can be searched. Employees should never post any information or rumors that they know to be false about the Company, fellow employees, clients, vendors or competitors.

4) Post Only Appropriate Content.

Maintain the confidentiality of the Company and client trade secrets and private or confidential information. Do not post internal reports, policies, procedures or other internal business-related confidential communications. Do not create a hyperlink from personal blog, website or other social networking site to a Company website without the express prior written consent of the President/CEO or Human Resources Department.

Employees should express only their personal opinions and make sure they state that the opinions belong only to the employee and not the Company. Never represent yourself as a spokesperson for the Company. If the Company is a subject of the content the employee is creating, it should be clear that the employee's views do not represent those of the Company, its employees, customers or affiliates.

Employees should not post online content related to the work they perform or subjects associated with the Company, without approval of the President/CEO. Approved postings should include a disclaimer such as “The postings on this site are my own and do not necessarily reflect the views of the Company, its owners, employees or customers.”

When using Social Media, employees should get appropriate permission to use a third party’s intellectual property, including copyrighted material and trademarks, or reference the sourced material to the original owner. Employees may not use Company logos or other Company intellectual property without permission from the Corporate Office. Employees must take appropriate and reasonable precautions to prevent others from accessing their Social Media accounts and any equipment the Company provides. Employees are responsible for what others post on their behalf, whether or not they received permission from the employee.

Using Social Media at Work

The employee may not use social media while on duty or on equipment the Company provides, unless it is work-related, specifically authorized by their supervisor, and is consistent with Company policy.

Employees should not use their Company email address or Company logos to register on social networks, blogs or other online tools utilized for personal use.

The employee may not post any pictures of himself/herself or co-workers in their Company uniform, whether on or off-duty without the express written permission of the Corporate Office.

The employee may not post any pictures or text that would jeopardize the security of one of the Company’s clients or disclose any Company trade secrets or proprietary information.

Retaliation is Prohibited

The Company prohibits taking adverse employment action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

Company Social Media Channels

The Company reserves the right to delete content on any of its sites that violate this policy. The Company also reserves the right to block users who violate the stated guidelines and rules of engagement.

Abiding by State and Federal Laws

Employees may not post content or conduct any activity that fails to conform to any and all applicable state and federal laws. For the Company's and its employees' protection, it is critical that everyone abide by the copyright laws by ensuring that they have permission to use or reproduce any copyrighted text, photos, graphics, video or other material owned by others.

Inaccurate or Defamatory Content

The Company strives to maintain a professional work environment and considers harassment in all forms to be a serious offense in violation of the Company's harassment policy. Employees may not post any content that is illegally harassing, discriminatory, defamatory, or otherwise illegal. In addition, employees may not post any content that is with malice or that a reasonable person would find hostile, offensive, and unrelated to the Company's legitimate business interests.

Unlawful harassment includes harassment based on race, color, national origin or ancestry, gender/sex, gender identity, gender expression, age, physical or mental disability, perceived disability or perceived potential disability, pregnancy or perceived pregnancy, childbirth, breastfeeding or related medical conditions, religion (including religious dress and grooming practices) or creed, requesting accommodation for disability or religious beliefs, marital status, registered domestic partner status, medical condition (including HIV and AIDS), citizenship, military and veteran status, sexual orientation, genetic characteristics, genetic information (including an employee, a family member of an employee, or the manifestation of a disease or disorder in a family member of an employee), driver's license status, receiving public assistance, political affiliation, or any other characteristic protected by state, federal, or local law.

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

Failure to Comply With the Policy

Failure to adhere to Company policies regarding blogging and online postings will be considered grounds for disciplinary action, up to and including termination of employment. Such violations can also lead to serious legal ramifications for offending individuals, as they can be held personally liable for any post that is defamatory, proprietary, discriminatory, harassing, obscene, or which violates any other law.

If the employee has questions or needs further guidance, please contact the Corporate Office.

All employees are reminded that use of any social media in violation of any Company policy may lead to disciplinary action, up to and including immediate termination.

This policy does not apply to employees who are exercising their statutory rights to organize or engage in concerted activity under the National Labor Relations Act or other laws.

5.7. Electronic Data Protection

The Company is responsible for keeping confidential certain customer information that is kept electronically. Such confidential customer information includes, but is not limited to, social security numbers, drivers' license or California Identification Card numbers, or financial account information. Therefore, employees must closely guard access to computer files that contain such confidential information. Employees are required to password protect any such confidential information and such passwords must be provided to the Corporate Office so that the Company can access such information. Use of encryption technology may also be necessary. Employees should contact their supervisor or the Corporate Office with any questions they have regarding electronic data protection.

5.8. Solicitation and Distribution of Literature

The Company has established rules, applicable to all employees, to govern solicitation and distribution of written material during working time and entry onto the Company premises and work areas. All employees are expected to comply strictly with these rules.

Defining Key Terms

As used in this policy:

“Solicitation” includes asking employees:

- 1) for funds or contributions;
- 2) to purchase goods for charitable or commercial purposes;
- 3) to sign petitions;
- 4) to join or become members of a group;
- 5) to support political candidates; or
- 6) to support or commit to causes, groups, or interests.

“Distribution of literature” means handing out or giving employees written materials about causes, products, charities, unions, or political issues during working time.

“Nonemployees” are persons who do not work for the Company and include salespersons; representatives of religious, political, or social organizations or associations; representatives of product manufacturers or distributors; and other persons engaged in similar activities.

“Company premises” include all buildings, roads, parking lots, and land owned or leased by the Company or used as a worksite. Company premises do not include public property such as public streets and public sidewalks.

“Public spaces” are areas not owned or leased by the Company, including city or county public roads, highways, and sidewalks.

“Work areas” are any areas where actual work is performed for the Company.

“Non-work areas” include cafeterias, lobbies, parking lots, break rooms, and restrooms but do not include any areas where customers or clients may congregate or employees perform work for the Company.

Permissible Solicitation/Literature Distribution

The Company does not interfere with, restrain, or coerce employees in exercising their rights under federal or state labor laws. The Company allows employees to solicit co-workers about causes, interests, political issues, unions, or union organizing during meal and rest breaks and during any other period of nonworking time, so long as employees do not disrupt or interfere with ongoing Company operations or harass other employees.

In addition, employees can distribute written information or materials to co-workers in non-work areas during meal and rest breaks or whenever employees and their co-workers are not working.

Prohibited Solicitation/Literature Distribution

No employee shall solicit or promote support for any cause or organization during their working time or during the working time of the employee or employees at whom the activity is directed.

In addition, no employee shall distribute or circulate any written or printed material in work areas at any time, during their working time, or during the working time of the employee or employees at whom the activity is directed.

Use of Company Equipment for Solicitation/Literature Distribution by Employees

The Company forbids employees from using Company equipment and supplies to copy or distribute literature or to solicit support for non-work-related causes. Employees who have access to the Company's e-mail system may use it to engage in discussions about the terms and conditions of employment during nonworking time.

Prohibited Discrimination and Harassment

The Company prohibits any solicitation or distribution of literature that is discriminatory, hateful, harassing, illegal, defamatory, profane, or obscene.

The Company expects employees to respect the desires of co-workers who do not wish to receive handouts or talk to employees who solicit their support for causes, products, interests, or organizations. The Company prohibits employees from pressuring co-workers to contribute to or get involved in any causes or activities, even if the Company supports the causes or activities.

Discipline

Employees who violate this policy are subject to disciplinary action, up to and including termination of employment.

Solicitation/Literature Distribution by Nonemployees

The Company prohibits nonemployees from entering Company premises to solicit support, proselytize, distribute literature, or sell products or services. The Company has the right to contact local law-enforcement authorities to take action against nonemployees who trespass on company property. The Company requires employees to contact the Corporate Office immediately to report nonemployee violations of this policy.

Nonemployees can solicit or distribute literature in public spaces outside Company premises.

Management Contacts

Employees who have questions or complaints about the Company's solicitation/literature distribution policy or who wish to report violations of the policy are encouraged to speak to their supervisors. Employees whose supervisor is involved in a violation should contact the Corporate Office.

5.9. Seating Policy

Employees will be provided with suitable seats when the nature of the work reasonably permits the use of seats. An adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties. If at any time an employee believes they have not been provided with suitable seating, the employee should bring this to the attention of a supervisor, any other member of management and/or the Corporate Office and they will determine whether suitable seating may be provided and if the nature of the work reasonably permits the use of seats.

5.10. Ergonomics

The Company is subject to Cal/OSHA ergonomics standards for minimizing workplace repetitive motion injuries. As such, the Company will make necessary adjustments to reduce exposure to ergonomic hazards through modifications of equipment and processes coupled with employee training. The Company encourages safe and proper work procedures and requires all employees to follow appropriate safety instructions and guidelines. The Company believes that reduction of ergonomic risk is instrumental in maintaining an environment of personal safety and well-being and is essential to its business. The Company intends to provide appropriate resources to create a risk-free environment. Contact the Human Resources Department if the employee has any questions about ergonomics.

5.11. Employee Health and Safety

The Company places an emphasis on safety at all times. The health and safety of employees and others on Company property are of critical concern to the Company. As such, the Company strives to attain the highest possible level of safety in all activities and operations. It also intends to comply with all health and safety laws applicable to its business.

To this end, the Company must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees should be conscientious about workplace safety, including proper operating methods and known dangerous conditions or hazards. Employees should report any unsafe conditions or potential hazards to their supervisor immediately; even if they believe that they have corrected the problem. If employees suspect a concealed danger is present on the Company's premises, or in a product, facility, piece of equipment, process, or business practice for which the Company is responsible, bring it to the attention of their supervisor or the Corporate Office immediately. Supervisors should arrange for the correction of any unsafe condition or concealed danger immediately and should contact the Corporate Office regarding the problem.

Periodically, the Company may issue rules and guidelines governing workplace safety and health. All employees should familiarize themselves with these rules and guidelines as strict compliance will be expected. Contact a supervisor for copies of current rules and guidelines. Failure to comply strictly with rules and guidelines regarding health and safety or negligent work performance that endangers health and safety will not be tolerated.

Additionally, the Company has developed a written Injury and Illness Prevention Program as required by law. If an employee has not received a copy of this Program, or if they wish to obtain an additional copy, please contact the Corporate Office. It is the employee's responsibility to read, understand, and observe the Injury and Illness Prevention Program provisions applicable to each position.

Please observe the following safety rules at all times and refer to the company's Illness and Injury Prevention Program for further details and reporting instructions:

- 1) Report all accidents and injuries to a supervisor (no matter how slight) immediately.
- 2) Notify a supervisor if any employee observes a potentially unsafe condition or safety hazard.
- 3) Avoid overloading electrical outlets.
- 4) Use caution when handling flammable materials.
- 5) Walk – do not run.

Ask for assistance when lifting heavy objects. The Company requires a two-person lift and the use of available equipment, such as a pedal lift, for such task. Employees should:

- 1) Keep cabinet, file, and desk doors and drawers closed when not in use.
- 2) Sit firmly and squarely in chairs that roll or tilt.
- 3) Wear all appropriate and required safety equipment.
- 4) Refrain from “horseplay” and practical jokes.
- 5) Operate only equipment on which they have been trained or authorized.
- 6) Keep their work area clean and orderly, including keeping aisles clear.
- 7) Stack materials only to safe heights.
- 8) Use the right tool or piece of equipment for the job, and use it correctly.
- 9) Watch out for the safety of other employees.

Any workplace injury, accident, or illness must be reported to a supervisor as soon as possible, regardless of the severity of the injury or accident. If medical attention is required immediately, supervisors will assist employees in obtaining medical care, after which the details of the injury or accident must be reported. First aid supplies are available and the location of the nearest doctor and/or medical facility is posted.

Injury/Illness/Fire

To provide a safe and healthful work environment for employees, clients, and visitors, The Company has established a workplace safety program, including an Injury and Illness Prevention Program, and Heat Illness Prevention Program. These programs are a top priority for the Company. The Training/Safety Supervisor in conjunction with administrative staff has responsibility for implementing, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of everyone.

The Company provides information to employees about workplace safety and health issues through regular internal communication channels such as employee meetings, bulletin board postings, Company memos, and/or other written communications.

Employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their

supervisor, or with another supervisor or manager, or bring them to the attention of the Corporate Office. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment. In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees shall immediately notify the appropriate supervisor who will notify the Corporate Office. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

If an employee is injured on the job, they will be entitled to benefits under the state workers' compensation law in most cases. The Company carries workers' compensation insurance and will assist employees in obtaining all benefits to which they are legally entitled. If an employee is injured on the job, they must immediately report the incident to their supervisor and/or the Corporate Office.

Injury/Illness

Calling for help should be an employee's initial response. Security officers are not normally permitted to practice first aid unless specific arrangements have been made with the client and relayed in writing to the security officer by the supervisor. Even a direct order from a client is not sufficient to authorize the security officer to apply first aid techniques.

- 1) If a doctor or nurse is employed by the client Company, refer all cases to them immediately or notify the doctor/nurse if the patient cannot be moved. If a doctor or nurse is not on duty, or none is assigned, contact the employees' supervisor and arrange for medical assistance. Emergency medical assistance can usually be obtained by:
- 2) Dialing 911 on the telephone and asking for Fire Department Rescue or an ambulance.
- 3) Calling the doctor, hospital, or medical service which has been designated by the client.
- 4) Render aid only in case of extreme emergency. Extreme emergencies are defined as: severe bleeding, inability to breathe; and close proximity of life threatening events or situations.
- 5) SEVERE BLEEDING – If an employee is bleeding severely, then the employee should try to stop the bleeding by applying pressure over the wound or on a body pressure point.
- 6) LACK OF BREATHING – Employees should use whatever appropriate technique they are familiar with to restore breathing.

- 7) **CLOSE PROXIMITY TO LIFE THREATENING EVENTS** – Move victim to safe location if a fire is nearby, etc.
- 8) **HEART STOPPAGE** – If trained in CPR, employees should use techniques they have learned. If not trained, do not attempt to give aid. Call 911.
- 9) **WRITE A REPORT IMMEDIATELY**– A written report must be prepared in all injury and illness cases. Indicate patient's name and department and give all pertinent details. This report should include what action the employee took, names of person or agency they notified and name of hospital or ambulance firm, and if the employee or another person took custody of the ill or injured person's possessions, record **WHAT** was held, **WHO** held it, and **WHERE** it was taken or stored.

Fire

Fires cause billions of dollars in damage to businesses each year. In some cases, fire could have been prevented with adequate fire protection or early detection. Employees can help in this area by being aware of possible hazards and reporting these to their employees' responsibilities for the protection of life and property of the Company client includes familiarizing themselves with the fire and safety equipment. The following information can be beneficial in helping prevent such losses from fire.

In case of fire, call the Fire Department immediately. If it is safe to do so, then and only then, employees should use any immediately available means and local assistance to extinguish or control the fire as much as possible until the Fire Department arrives.

Employees should know there are four types, or classes, of fire. These classes are denoted by letter symbols, and are as follows:

- 1) **CLASS A** – For wood, paper, cloth, trash, and other ordinary materials.
- 2) **CLASS B** – For gasoline, grease, oil, paints, and other flammable liquids.
- 3) **CLASS C** – For live electrical equipment.
- 4) **CLASS D** – For combustible metals.

Every fire extinguisher is labeled to show the type of fire upon which it is to be used. It is important that employees know what type of extinguishers are available at their post. An employee can feed a fire instead of extinguishing it; for example, using a water-pressure extinguisher (**CLASS A**), on an electrical fire (**CLASS C**). Remember when using a fire extinguisher, always **AIM FOR THE BASE OF THE FIRE, NOT THE FLAMES**.

Prevention is the key word when discussing fire and safety. When employees make rounds, they should look for potential fire hazards, i.e., exposed wires, oily rags piled up, open flames, using their senses, including their eyes and nose. If an employee smells smoke or odors, they should investigate and report immediately.

5.12. Security

Maintaining security at the Company's premises is every employee's responsibility. Employees should notify their supervisor immediately if they observe any suspicious activity or other condition that may be a security concern. In addition, employees should make sure to keep their cash and valuables secured at all times while on the Company's premises. Employees should also be sure that all entrances are properly locked and secured when they leave the Company's premises at the end of the day. Please note that the Company is not responsible for any loss or damage to employees' property, including their vehicles, caused by criminal activity.

Employees should familiarize themselves with the use and locations of all alarms, fire extinguishers, and other safety equipment. They should also ask their supervisors if they have any questions about the Company's procedures during emergencies.

The Company reserves the right to install security cameras in work areas for specific business reasons, such as surveillance and security purposes. The Company may find it necessary to monitor certain work areas with security cameras when there is a specific business-related reason to do so. The company will do so only after first ensuring that such action is in compliance with state and federal laws. As such, employees should not have an expectation of privacy in work-related areas. Employee privacy in non-work-related areas will be respected to the extent possible subject to overall security purposes and other business needs. Employees should contact their supervisor or the Corporate Office if they have questions about this policy.

5.13. Workplace Searches and Monitoring

For certain employees, the Company provides desks, file cabinets, lockers, computers, telephones, pagers, Company vehicles, etc., for the convenience and use of its employees at the Company's expense. Although such items are made available for the convenience of employees while at work, employees should remember that all such items remain the sole property of the Company. Moreover, the Company reserves the right to open and inspect desks and file cabinets, as well as any contents, effects, or articles that are in desks, lockers, file cabinets telephones, pagers, Company vehicles, etc. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after work hours by any supervisor, manager or security personnel designated by the Company.

The Company has the right to monitor all telephone calls. Additionally, Company vehicles may be equipped with a GPS tracking device and video and audio monitoring systems. Therefore, employees should not assume that telephone calls or conversations are confidential.

Prohibited materials, including weapons, explosives and non-prescribed drugs or medications, may not be placed in a desk or file cabinet. In accordance with the Company policy regarding use of drugs, marijuana, even if prescribed, is considered an illegal drug. Perishable items also should not be stored in desks and file cabinets or left for prolonged periods. Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, including immediate termination of employment. The Company is not responsible for any articles that are placed or left in a desk or file cabinet that are lost, damaged, stolen or destroyed.

The Company wishes to maintain a work environment that is free of illegal drugs, alcohol, illegal firearms, explosives, or other improper materials. To help achieve this goal, the Company prohibits the possession, transfer, sale, or use of such materials on its premises. The Company requires the cooperation of all employees in administering this policy.

Employees who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, including possible suspension or discharge.

5.14. Smoking

In keeping with the Company's intent to provide a safe and healthful work environment, smoking in the workplace, including use of e-cigarettes, is prohibited except in those locations that have been specifically designated as smoking areas. In situations where the preferences of smokers and nonsmokers are in direct conflict, the preferences of nonsmokers will prevail.

Security personnel shall not smoke while on-duty, nor while off-duty in a Company uniform where they could be observed by others unless expressly authorized by a supervisor, or the Corporate Office in designated areas. Security personnel shall not under any circumstances smoke in Company vehicles (including golf carts).

SECTION 6: EMPLOYEE BENEFITS

6.1. Benefits

Eligible employees at the Company are provided benefits. A number of the programs (such as Social Security, workers' compensation, state disability, California paid family leave, and unemployment insurance) cover all employees in the manner prescribed by law.

The Company's benefit programs are intended to comply with state and federal law. In the event that any of the terms of these programs are found by a court or agency of competent jurisdiction to be contrary to any state or federal law, such term(s) will be deemed void, and the remainder of the programs shall not be affected.

Benefits eligibility is dependent upon a variety of factors, including employee classification. An employee's supervisor can identify the programs for which they are eligible. Details of many of these programs can be found in this Handbook.

Some benefit programs require contributions from the employee and such contributions may be increased on an annual basis.

6.2. Holidays

If the contract between the Company and a client stipulates a Holiday Premium Rate for Holiday Pay, Holiday Pay may be paid to non-exempt employees only. The Company assigns Holiday Pay only to shifts that work during the actual Holiday i.e., from 00:00:00 to 23:59:59 of the actual Holiday. Holiday Pay Rate is one and a half (1.5) times normal pay rate. However, any overtime hours on a holiday will only be paid at the standard overtime rate (1.5x times the normal pay rate).

For example, if the employee's assigned work shift starts at 12:30 on December 25th and goes till 20:30 on December 25th, the employee would receive eight (8) hours of Holiday Pay. If the employee's assigned work shift starts at 23:00 on December 25th and goes till 07:00 on December 26th the employee would receive one (1) hour of Holiday Pay. If the employee's assigned work shift starts at 23:00 on December 24th and goes till 07:00 on December 25th, the employee would receive seven (7) hours of Holiday Pay.

Holiday pay applies to the following recognized holidays:

- 1) New Year's Day (January 1)
- 2) President's Day
- 3) Martin Luther King Jr. Day
- 4) Memorial Day
- 5) Independence Day
- 6) Labor Day
- 7) Thanksgiving Day
- 8) Christmas Day (December 25)

6.3. California Disability Insurance Benefits

California has two programs designed to provide benefits to employees when they are unable to work because of either a personal illness or injury that is not work-related; or the need to care for a qualified family member who is ill or injured; or to bond with a new child. One program applies where the employee is personally ill or injured. The other applies when the employee is not ill but

must care for a family member or bond with a new child. Receiving benefits under any of the state programs does not automatically translate to protected leave from work. An employee must still apply for leave from work in the manner set forth in this Handbook.

State Disability Insurance (SDI) benefits are available to eligible employees who are personally ill or injured. Unlike the workers' compensation program that covers work-related injuries, SDI benefits are available from the state if the illness or injury is not work related.

Paid Family Leave (PFL) benefits (also known as Family Temporary Disability Insurance (FTDI) benefits) are available to eligible employees who are unable to work as a result of a need to care for qualified family members or to bond with a new child.

Both the SDI and PFL programs are administered by the California Employment Development Department (EDD) and are financed by employee taxes. Both programs work independently from the workers' compensation system, which provides benefits to eligible employees who sustain work-related illnesses or injuries.

Time Missed From Work

The SDI and PFL programs provide benefits to eligible employees who miss work for reasons specified in the programs. Neither program grants employees the right to time off, job protections or reinstatement guarantees if they do miss work. Employees should therefore ask their supervisor whether they qualify for a leave of absence under any Company policy, such as the family and medical leave policy, or applicable law. Employees must satisfy several conditions to be eligible to take different types of leave. Employees are required to provide advance notice of the request for leave to the extent permitted by applicable laws.

Advance Notice Rules

Employees who wish to apply for SDI and PFL benefits must submit claims directly with the EDD. The Company is not involved in the administration of the SDI or PFL programs. Because the EDD provides benefits to eligible employees who take time off from work, employees must submit their request for time off in writing as far in advance as is reasonably possible.

It is the responsibility of each employee to provide a written request for time off at least thirty (30) days before the absence is expected to begin whenever the need for the absence is foreseeable. If the need for the absence is sudden and unforeseeable, the employee must provide notice as soon as possible and practicable. However, the notice must be provided no later than the day on which the absence begins.

When feasible, the notice and request for time off must be accompanied by proper medical certification that does not include the underlying medical diagnosis or other confidential medical information. In providing this medical certification, the Company shall comply with the provisions

of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. Please see the Requests for Medical Certification policy in this Handbook for more information.

A copy of the EDD claim form must also be provided if requested by the Company. Any failure to provide proper notice and accompanying documentation, when it is requested, may result in an unexcused absence and disciplinary action, up to and including termination of employment.

Concurrent Use of PFL and FMLA/CFRA Time

If an employee is eligible for PFL benefits and also for leave under a Company policy, the time off will run concurrently with time available under all applicable leave of absence policies maintained by the Company. This includes the family and medical leave policies where the employee is eligible for time off under the California Family Rights Act (CFRA) and/or the federal Family and Medical Leave Act (FMLA). As a result, if an employee receives benefits under the PFL program, the time taken off will be counted against the maximum limitations on time off imposed by all potentially applicable Company leave policies and the CFRA and FMLA rules, to the extent legally permissible.

6.4. Insurance Benefits

Workers' Compensation

If an employee is injured or becomes ill on the job, then the employee may receive, at no cost to them, workers' compensation insurance benefits which may include medical care, compensation, and vocational rehabilitation. To receive workers' compensation benefits, the employee must:

- 1) Report any work-related injury to their supervisor immediately;
- 2) Complete a written claim form and return it to their supervisor; and
- 3) Seek medical treatment and follow-up care, if required.

Social Security

The employee may be eligible to receive these benefits upon their retirement and/or perhaps in other circumstances in accordance with the Social Security laws.

Unemployment Insurance

The Company contributes to the Unemployment Insurance Fund on behalf of its employees.

SECTION 7: LEAVES OF ABSENCE AND OTHER TIME OFF

7.1. Paid Sick Leave

Under California law, employees who complete 30 days of employment in California are eligible for paid sick leave starting with their first day of employment or July 1, 2015, whichever is later.

This policy applies to all employees, including exempt and nonexempt employees in full-time, part-time, temporary, seasonal, or per diem positions.

Certain employees may be entitled to additional paid sick leave benefits under local law.

For any questions or concerns about our sick leave policy, including any applicable local sick leave laws, please contact the Corporate Office

Accrual Rate

Employees accrue paid sick leave at the rate of one hour for every 30 hours of work, up to the maximum amount set in this policy. Exempt employees are treated as working 40 hours per workweek, unless their usual workweek is less than 40 hours in which case they would accrue paid sick leave based on the number of hours worked in their usual workweek.

Use of Sick Leave and Annual Use Cap

On and after their 90th day of employment, employees may use their accrued paid sick leave in a minimum amount of two hours each time.

In one year of employment, employees may use up to a maximum forty (40) hours or five (5) days, whichever is of greater benefit to the employee.

Reasons to Use and Designation of Paid Sick Leave

An employee may use paid sick leave for any reason allowed under California law, including for:

- The employee's care, preventive care, diagnosis, or treatment;
- The care, preventive care, diagnosis, or treatment of the employee's family member and, effective January 1, 2023, the employee's designated person, as defined below;
- To seek, obtain or assist in obtaining care for a family member who is the victim of a qualifying act of violence and which relates to that qualifying act of violence including (1) to obtain medical attention, (2) to obtain services from a domestic violence shelter, rape crisis center, or victim's services organization, (3) psychological counseling or mental health services, (4) to participate in safety planning, (5) to relocate or secure new residence, (6) to provide care to a family member recovering from injuries, (7) to assist a

family member seeking civil or criminal legal services, (8) to prepare for, participate in, or attend administrative, or criminal legal proceedings, (9) to seek or provide childcare or care to a dependent adult if necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence; or

- An employee who is a victim of domestic violence, sexual assault, or stalking to take time off to: (1) obtain or attempt to obtain any relief to help ensure the health, safety, or welfare of the employee or the employee's child, such as a temporary restraining order, restraining order, or other injunctive relief; (2) seek medical attention; (3) obtain services from a shelter, program, rape crisis center, or victim services organization or agency; (4) obtain psychological counseling or mental health services; or (5) participate in safety planning or take other actions to increase safety from future incidents

For purposes of this policy, "family member" means a child, spouse, registered domestic partner, parent, grandparent, grandchild, and sibling. Effective January 1, 2023, a "designated person" means a person identified by the employee at the time the employee requests paid sick days. The Company limits employee to one designated person per 12-month period for paid sick days. A "child" includes a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in place of a parent (*in loco parentis*). A "parent" includes a biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in place of a parent (*in loco parentis*) when the employee was a minor child.

Accrued Sick Leave: Annual Carryover and Total Accrual Cap

Unused accrued sick leave will carry over from one year to the next. However, the total amount of paid sick leave that can be accrued at any time is forty-eight (48) hours or six (6) days, whichever is greater, or 80 hours or ten days effective January 1, 2024. If an employee reaches this cap, no further paid sick leave will accrue until the employee uses sick leave to fall below the cap.

The total amount of paid sick leave that can be accrued at any time is forty-eight (48) hours or six (6) days, or 80 hours or ten days effective January 1, 2024, whichever is greater.

Employee Notification to Take Paid Sick Leave

Employees are allowed to use their paid sick leave by providing an oral or written request. If the need for paid sick leave is foreseeable (such as for scheduled medical appointments), employees must provide reasonable advance notice. If the need is not foreseeable, employees must provide notice of the need for the leave as soon as practicable. Employees must provide notice to their supervisor.

Sick Leave at Employment Termination and on Rehire

Any remaining paid sick leave that is not used before the last day of employment is forfeited and is not paid out upon the termination of employment.

No Retaliation or Discrimination

The Company prohibits any form of retaliation or discrimination against an employee for attempting to use or using paid sick leave under this policy, and for any other reason prohibited by applicable law. Employees who believe they have been discriminated or retaliated against should report their concerns to the Corporate Office.

7.2. Required Use of Sick Leave Before Unpaid Leave

To the fullest extent allowed by law, employees are required to take available sick leave before taking unpaid leave or having unpaid absences. Family and Medical Leave (under both state and federal law) is included in this requirement.

Employees who are absent because of their own disability may be eligible for State Disability Insurance (SDI) benefits.

SDI benefits do not replace all of an employee's usual wages. Unless otherwise prohibited by law, an employee's SDI benefits will be supplemented with any available sick leave hours, except when an employee is receiving benefits while on family and medical leave under both state and federal law, in which case the employee may elect to supplement benefits with any available sick leave.

7.3. Family and Medical Leave (FMLA)

The Company will grant family and medical leave in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. No greater or lesser leave benefits will be granted than those set forth in the relevant state or federal laws. In certain situations, the federal law requires that provisions of state law apply. In any case, employees will be eligible for the most generous benefits available under either law.

Employees should contact their supervisor as soon as they become aware of the need for a family and medical leave. The following is a summary of the relevant provisions.

Employee Eligibility

To be eligible for family and medical leave benefits, an employee must: (1) have worked for the Company for a total of at least twelve (12) months; (2) have worked at least twelve hundred and fifty (1,250) hours during the twelve (12) month period immediately prior to the date the family and medical leave commences; and (3) work at a location where at least fifty (50) employees are employed by the Company within seventy-five (75) miles.

Leave Available

Eligible employees may receive up to a total of twelve (12) workweeks of unpaid leave during a twelve (12) month period. A twelve (12) month period begins on the date of the employee's first use of family and medical leave. Successive twelve (12) month periods commence on the date of an employee's first use of family and medical leave after the preceding twelve (12) month period has ended. Leave may be used for one or more of the following reasons:

- 1) The birth of the employee's child or the placement of a child with the employee for adoption or foster care;
- 2) To care for the employee's immediate family member (spouse, registered domestic partner, child, or parent) with a serious health condition;
- 3) To take medical leave when the employee is unable to work because of a serious health condition; or
- 4) For employees who need to take leave due to a "qualifying exigency" ("Qualifying Exigency Leave") resulting from:
 - a) Their spouse, son, daughter, and/or parent is a member of the Armed Forces ("Military Member") being deployed to a foreign country; or
 - b) Their spouse, son, daughter, and/or parent is a member of the National Guard or Reserves ("Military Member") being deployed under a call or order to covered active duty to a foreign country.

"Qualifying exigencies" include:

- 1) Issues arising from a military member's short notice deployment (i.e., deployment on seven or less days of notice) for a period of seven days from the date of notification;
- 2) Military events and related activities (e.g. Official ceremonies, programs, or events sponsored by the military or family support or assistance programs, and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross) that are related to the covered active duty or call to covered active duty status of a military member;
- 3) Certain childcare and related activities arising from the covered active duty or call to covered active duty status of a military member (e.g. arranging for alternative childcare, providing childcare on a non-routine, urgent, immediate need basis, enrolling or transferring a child in a new school or day care facility, and attending certain meetings at school or a day care facility if they are necessary due to circumstances arising from the covered active duty or call to covered active duty of the military member);

- 4) Caring for a military member's parent who is incapable of self-care when the care is necessitated by the military member's covered active duty (e.g., arranging for alternative care, providing care on an immediate need basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility.);
- 5) Making or updating financial and legal arrangements to address a military member's absence;
- 6) Attending counseling provided by someone other than a health care provider for oneself, the military member, or the child of the military member, the need for which arises from the covered active duty or call to covered active duty status of the military member;
- 7) Taking up to fifteen (15) days of leave to spend time with a military member who is on short-term, temporary rest and recuperation leave during deployment;
- 8) Attending certain post-deployment activities, including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military for a period of ninety (90) days following the termination of the military member's covered active duty status, and addressing issues arising from the death of a military member; and
- 9) Any other event that the employee and the Company agree is a “qualifying exigency.”

Under some circumstances, employees may take family and medical leave intermittently--which means taking leave in blocks of time, or by reducing their normal weekly or daily work schedule. If an employee is pregnant, they may have the right to take a pregnancy disability leave in addition to a family and medical leave. Employees should review the pregnancy disability leave policy below and notify a supervisor or the Corporate Office if they need leave due to their pregnancy.

In addition to the above-referenced family and medical leave, the Company also provides Military Caregiver Leave, which is a protected leave of absence for employees who are a spouse, son, daughter, parent or next of kin of a covered military member who need to take time off to provide care for the military member for:

- 1) The military member who, while on active duty with the United States Armed Forces, the National Guard or Reserves, suffered or aggravated a “serious injury or illness” that:
 - a) Requires the military member to undergo medical treatment, recuperation, or therapy as a result of that serious injury or illness; or
 - b) Places the military member on the temporary disability retired list.
- 2) The Military Member is a veteran of the Armed Forces, the National Guard, or Reserves (“Veteran Military Member”) who was discharged or released under conditions other than

dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave who suffered or aggravated a “serious injury or illness” that:

- a) Requires the Veteran Military Member to undergo medical treatment, recuperation, or therapy as a result of that serious injury or illness.

Under those circumstances, an affected employee is entitled to receive up to twenty-six (26) weeks of unpaid leave in a single twelve (12) month period, which can be taken either in one large block of time or intermittently. An employee who, in the same twelve (12) month period, previously took other family and medical leave is entitled to receive Military Caregiver Leave, but, under those circumstances, the total leave taken will not exceed **twenty-six (26) weeks**. For Military Caregiver Leave the twelve (12) month period begins on the date of the Employee's first use of Military Caregiver Leave.

Certain restrictions on these benefits may apply.

Notice & Certification

If an employee needs family and medical leave and/or Military Caregiver Leave, the employee may be required to provide:

- 1) Thirty (30) day advance notice when the need for the leave is foreseeable--where the need for leave is unforeseeable, please inform the Company as soon as reasonably practicable;
- 2) Medical certification from a health care provider (both prior to the leave and prior to reinstatement) or, for Qualifying Exigency Leave, a copy of the military member's active duty orders or other documentation issued by the military that indicates that the military member has been deployed to covered duty in a foreign country and the dates of the military member's deployment to that foreign country or for Rest and Recuperation leave, a copy of the military member's Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member's leave. In addition, for Qualifying Exigency Leave, an eligible employee may be required to provide certification of the exigency necessitating leave. In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. Please see the Requests for Medical Certification policy in this Handbook for more information;
- 3) Periodic recertification; and

4) Periodic reports during the leave.

When leave is needed to care for an immediate family member or an employee's own serious health condition, and is for planned medical treatment, they must try to schedule treatment so as not to unduly disrupt the Company's operations.

Upon receiving notice of an employee's need for family and medical leave and/or Military Caregiver Leave and absent any extenuating circumstances, the Company will notify the employee whether the leave will be designated as family and medical leave and/or Military Caregiver Leave within five business days of learning that leave is being taken for a qualifying reason.

Compensation During Leave

Family and medical leave is typically unpaid. Under those circumstances where an employee's family and medical leave is unpaid, the Company may require the employee to use available sick leave during family and medical leave. Under those circumstances where an employee's family and medical leave is paid (e.g., the employee is receiving State Disability benefits, California Family Leave benefits, etc.), the employee may elect to use available sick leave during family and medical leave. In such case, however, all of those payments will be coordinated with any state disability or other wage reimbursement benefits for which the employee may be eligible so that at no time will they receive a greater total payment than their regular salary.

Please be advised that the use of available paid leave will not extend the length of a family and medical leave.

Benefits During Leave

The Company will maintain, for up to a maximum of twelve (12) workweeks of family and medical leave and twenty-six (26) weeks for Military Caregiver Leave, any group health insurance coverage that an employee was provided before the leave on the same terms as if the employee had continued to work. In some instances, the Company may recover premiums it paid to maintain health coverage if they do not return to work following family and medical leave.

The time that the Company maintains and pays for group health coverage during pregnancy disability leave will not be used to meet the Company's obligation to pay for twelve (12) workweeks of health coverage during leave taken pursuant to family and medical leave under California law.

Job Reinstatement

Under most circumstances, upon return from family and medical leave, the employee will be reinstated to their previous position, or to a comparable position with equivalent pay, benefits, and other employment terms and conditions. However, upon return from a family and medical leave, an employee has no greater right to reinstatement than if they had been continuously employed

rather than on leave. For example, if the employee would have been laid off had they not gone on family and medical leave, or if their position has been eliminated during the leave, then the employee will not be entitled to reinstatement.

Prior to returning to work after taking family and medical leave for the employee's own serious health condition, they will be required to submit a fitness-for-duty certification from their health care professional certifying that they are able to return to work. Failure to provide the fitness-for-duty certification in a timely manner may either delay the employee's reinstatement to their position or result in a denial of their reinstatement request if the certification is never provided.

If the employee is returning from family and medical leave taken for their own serious health condition but is unable to perform the essential functions of their job because of a physical or mental disability, the Company will engage in the interactive process with the employee to determine if there is a reasonable accommodation that may be provided to enable them to perform the essential functions of their position to the extent that doing so would not create an undue hardship for the Company. The employee's use of family and medical leave will not result in the loss of any employment benefit that they earned or were entitled to before using family and medical leave.

Unlawful Acts

It is unlawful for the Company to interfere with, restrain, or deny the exercise of any right provided by state or federal family and medical leave law. It is also unlawful for the Company to refuse to hire or to terminate or discriminate against any individual for being involved in any proceedings related to family and medical leave.

For additional information about eligibility for family/medical leave, contact a supervisor or the Corporate Office.

7.4. California Family Rights Act Leave (CFRA)

The Company will grant eligible employees up to twelve (12) work weeks of unpaid, job-protected leave and health insurance continuation under the California Family Rights Act (CFRA) for certain specified reasons. CFRA applies to private employers of five or more employees. If an employee is eligible for FMLA leave, then leave under the CFRA and FMLA will run concurrently.

Employee Eligibility

To be eligible for CFRA leave under this policy, the employee must satisfy the following eligibility requirements:

- 1) The employee has worked for more than twelve (12) months (52 weeks); and

- 2) The employee has worked at least one thousand two hundred and fifty (1,250) hours during the twelve (12) month period before the need for the leave.

Conditions Triggering Leave

Eligible employees may take leave for any of the following reasons:

- 1) To care for the employee's own serious health condition.
- 2) To care for a minor child, dependent adult child, adult child, a child of a domestic partner, parent, parent-in-law, grandparent, grandchild, sibling, spouse or domestic partner, or a Designated Person with a serious health condition.
- 3) To bond with and care for a new child by birth, adoption, or foster placement.
- 4) For a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, registered domestic partner, child, or parent in the Armed Forces of the United States.

If both parents of a new child work for the same employer, each eligible parent is entitled to up to twelve (12) weeks of leave.

Definitions

- 1) A "child" is defined as a biological, adopted or foster child; a stepchild; a child of a domestic partner; a legal ward; or a child who is either under 18 years of age or is an adult-dependent child of an employee who stands in loco parentis (acting or done in the place of a parent) to that child. An adult-dependent child is an individual who is 18 years of age or older and is incapable of self-care because of a mental or physical disability.
- 2) A "parent" is defined as a biological, foster, or adoptive parents, a step-parent, a legal guardian or other person who stood in loco parentis to the employee when the employee was a child. A biological or legal relationship is not necessary for a person to have stood in loco parentis to the employee as a child.
- 3) A "parent-in-law" is the parent of a spouse or domestic partner.
- 4) A "spouse" is defined as a partner in a legal marriage or a registered domestic partner, including same-sex partners in a marriage with the employee.
- 5) A "domestic partner" is defined as two adults who have chosen to share one another's lives in an intimate and committed relationship of mutual caring.
- 6) A "sibling" is defined as a person related to another person by blood, adoption, or affinity through a common legal or biological parent.

- 7) A “grandchild” is defined as a child of the employee’s child.
- 8) A “grandparent” is defined as a parent of the employee’s parent.
- 9) A “Designated Person” is defined as any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. An employer may limit an employee to one designated person per 12-month period for family care and medical leave.
- 10) A “serious health condition” for employee and employees’ family member is defined as an illness, injury, impairment, or physical or mental condition that involves either inpatient care in a hospital, hospice, or residential healthcare facility, or continuing treatment. “Continuing treatment” is ongoing medical treatment or supervision by a health care provider.
- 11) A “qualifying exigency” is defined as an urgent need arising out of the fact that a covered military member is on covered active duty or call to covered active duty status. Such events may include leave to spend time with a covered military member either prior to or post deployment, or to attend to household emergencies that would normally have been handled by the covered.

Identifying the Twelve (12) Month Period

For purposes of calculating the twelve (12) month period during which twelve (12) work weeks of leave may be taken, the Employer uses a rolling twelve (12) month calendar, which is defined as the twelve (12) months following the date on which the prior leave of absence began.

In addition, CFRA leave for the birth or placement of a child for adoption or foster care must be concluded within twelve (12) months of the child’s birth or placement.

Intermittent Leave

Eligible employees may take CFRA leave in a single block of time, intermittently, or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member. Intermittent leave for the birth of a child, to care for a newborn child or for the placement of a child for adoption or foster care generally must be taken in at least two-week increments. Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Company’s operations.

Use of Accrued Paid Leave

Employees may choose (or the Company may require employees) to use accrued paid leave (such as sick leave, vacation or PTO, as applicable) concurrently with some or all of the CFRA leave.

Employees receiving state disability benefits or paid family leave benefits will not be required to use accrued paid leave. To use paid leave concurrently with CFRA leave, eligible employees must comply with the Company's normal procedures for the applicable paid-leave policy.

Notice & Certification

- 1) If the employee's need for CFRA leave is foreseeable, the employee must provide advance notice and, if due to a planned medical treatment or supervision, the employee must make a reasonable effort to schedule the treatment or supervision to avoid disruption to the operations of the employer, subject to the approval of the health care provider of the individual requiring the treatment or supervision. If the employee's need for CFRA leave is not foreseeable, such as because of lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable or fifteen (15) days from the employer's request.
- 2) If an employee needs to request CFRA leave to care for a covered family member, the employee may be required to provide medical certification issued by the health care provider of the individual requiring care within fifteen (15) calendar days of the Company's request for the certification. Certification will be sufficient if it includes all of the following:
 - a) The date on which the serious health condition commenced.
 - b) The probable duration of the condition.
 - c) An estimate of the amount of time that the health care provider believes the employee needs to care for the individual requiring the care.
 - d) A statement that the health condition warrants the participation of a family member to provide care during a period of the treatment or supervision of the individual care.

Failure to comply with these conditions may result in delay of the commencement of leave or denial of a leave request. Second or third medical opinions and periodic re-certifications may also be required. If additional leave is required, the employee may need to provide re-certification.

- 1) If an employee needs to request CFRA leave for their own serious health condition, an employee may be required to provide certification. Certification will be sufficient if it includes all of the following:
 - a) The date on which the serious health condition commenced.
 - b) The probable duration of the condition.

- c) A statement that, due to the serious health condition, the employee is unable to perform the function of the employee's position.

If additional leave is requested, an employee may need to provide re-certification regarding an employee's serious health condition on a reasonable basis.

- 2) An employee on CFRA leave may be requested to provide periodic reports as deemed appropriate during the leave regarding the employee's status and intent to return to work.

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

Employer Responsibilities

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

Job Reinstatement

Under most circumstances, upon returning from CFRA leave, an employee will be reinstated to their original position or to an equivalent position with equivalent pay, benefits and other employment terms and conditions. However, upon return from a CFRA leave, an employee has no greater right to reinstatement than if they had been continuously employed rather than on leave. For example, if they would have been laid off had they not gone on CFRA leave, or if their position has been eliminated during the leave, then they will not be entitled to reinstatement.

Failure to Return After CFRA Leave

If an employee fails to return to work as scheduled after CFRA leave or if an employee exceeds the twelve (12) week CFRA entitlement, the employee will be subject to the Company's other applicable leave of absence, accommodation and attendance policies. This may result in termination if the employee has no other Company-provided leave available that applies to the continued absence. Likewise, following the conclusion of the CFRA leave, the Employer's obligation to maintain the employee's group health plan benefits ends (subject to any applicable COBRA rights).

Unlawful Acts

It is unlawful for the Company to interfere with, restrain, or deny the exercise of any right provided by state or federal family and medical leave law. It is also unlawful for the Company to refuse to hire or to terminate or discriminate against any individual for being involved in any proceedings related to family and medical leave.

7.5. Pregnancy Disability Leave

Employee Eligibility

The Company will grant eligible employees an unpaid pregnancy disability leave if disabled because of pregnancy, childbirth, or a related medical condition. The Company will not interfere with, attempt to interfere with, restrain, or deny an employee's rights to pregnancy disability leave.

Leave Available

If an employee is disabled due to pregnancy, childbirth, or a related medical condition, they may take up to a maximum of four months leave per pregnancy. The leave available is determined based on the number of days or hours the employee would normally work within four calendar months (one-third of a year equaling seventeen and one-third (17 1/3) weeks). If the employee's schedule varies from month to month, a monthly average of hours worked over the four months prior to the beginning of the leave shall be used for calculating the employee's normal work. As an alternative, the Company may modify work practices or policies, work duties, or work schedules, provide furniture, or transfer the employee to a less strenuous or hazardous position if the employee so requests, with the advice of the employee's physician, and if it may be reasonably accommodated. Under some circumstances, employees may take pregnancy disability leave intermittently.

Leave taken under the pregnancy disability policy runs concurrently with family and medical leave under federal law, but not with family and medical leave under California law.

Notice & Certification Requirements

Employees must provide the Company with reasonable advance notice of their need for a pregnancy disability leave. An employee must provide at least thirty (30) days advance notice before the start of reasonable accommodation, transfer or pregnancy disability leave if the need is foreseeable. If the employee is unable to give thirty (30) days' advance notice because it is not known when reasonable accommodation, transfer or leave will be required to begin or because of a change in circumstances, a medical emergency or other good cause, notice must be given as soon as practicable. In addition, the employee must provide the Company with a health care provider's statement certifying the last day they can work and the expected duration of the leave. The Company will provide the employee with a medical certification form for the employee's

healthcare provider to complete. When leave is foreseeable and at least thirty (30) days' notice has been provided, the employee shall provide the medical certification before the leave begins. When this is not practicable, the employee shall provide the medical certification to the Company within fifteen (15) calendar days after the Company's request, unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an Employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. Please see the Requests for Medical Certification policy in this Handbook for more information.

Compensation During Leave

If the employee is granted a pregnancy disability leave, the Company will pay the employee's paid sick leave for the period of time equivalent to their available paid sick leave. If the employee is an employee who is eligible to receive PTO, they will have the option of using any available PTO time. All of those payments will be integrated with any state disability or other wage reimbursement benefits that the employee may receive. At no time will the employee receive a greater total payment than their regular compensation.

Benefits During Leave

If the employee is eligible for pregnancy disability leave and is otherwise eligible for medical insurance coverage from the Company, the Company will maintain and pay for group health coverage for up to four (4) months of their leave. The coverage will remain at the same level and under the same conditions as it would have been had the employee not taken pregnancy disability leave.

The time that the Company maintains and pays for the employee's medical insurance coverage during the pregnancy disability leave will not be used to meet the Company's obligation to pay for twelve (12) weeks of medical insurance coverage during leave taken pursuant to California family and medical leave.

Reinstatement

Upon the submission of a medical certification from a health care provider that the employee is able to return to work, the employee will, in most circumstances, be offered the same position held at the time of the leave. However, the employee will not be entitled to any greater right to reinstatement than if they had been employed continuously rather than on leave. For example, if

the employee would have been laid off if they had not gone on leave, then the employee will not be entitled to reinstatement.

If upon return from a pregnancy disability leave the employee is unable to perform the essential functions of the job because of a physical or mental disability, the Company will engage in the interactive process with the employee to determine if there is a reasonable accommodation that may be provided to enable her to perform the essential functions of her position to the extent that doing so would not create an undue hardship for the Company.

7.6. Workers' Compensation Disability Leave

Employee Eligibility

The Company will grant an employee a workers' compensation disability leave in accordance with state law if the employee incur an occupational illness or injury. As an alternative, the Company may offer the employee modified work. Leave taken under the workers' compensation disability policy runs concurrently with family and medical leave under both federal and state law.

Notice & Certification Requirements

Employees must report all accidents, injuries, and illnesses, no matter how minor, to their immediate supervisor. If the employee's injuries or illness develops over a period of time, report it as soon as the employee learns or believes it was caused by their job. Reporting promptly helps prevent problems and delays in receiving benefits, including the medical care the employee may need. If the Company does not learn about the employee's injuries within thirty (30) days, the Company may be unable to fully investigate the circumstances surrounding the injury or medical condition. As a result, the employee may lose their right to receive workers' compensation benefits.

It is important for the employee to get emergency treatment if they need it. The employee's supervisor or Human Resources Department will tell the employee where to go for treatment. Employees should tell the health care provider who treats them that their injury or illness is job-related. The Human Resources Department will give or mail the employee a claim form, called a "DWC 1", within one working day after learning about their injury or illness. Fill out the claim form and return it to the Human Resources Manager or a supervisor as soon as possible.

It is the Company's goal to prevent work-related injuries from happening. The Company is always concerned when any of its employees is injured or ill due to a work-related condition. It also believes that such absences represent a cost both to the Company as well as its employees. The Company wants injured employees to get the best possible medical treatment immediately to assure the earliest possible recovery and ability to return to work.

The Company wants to provide meaningful work activity for all employees who become unable to perform all, or portions, of their regular work assignment. Thus, it has implemented a Return

to Work Program, which includes transitional or light duty work whenever this is possible. The Return to Work Program is temporary, not to exceed six (6) months.

The employee must also provide the Company with a health care provider's statement certifying the work-related illness or injury, their inability to work, and the expected duration of their leave. In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. Please see the Requests for Medical Certification policy in this Handbook for more information.

Compensation During Leave

Workers' compensation disability leaves are without pay. However, the employee may utilize available paid time off during the leave. Those payments will be coordinated with any state disability, workers' compensation, or other wage reimbursement benefits for which the employee may be eligible. At no time will the employee receive a greater total payment than their regular compensation.

Benefits During Leave

If the employee is eligible for family and medical leave under the federal or state family and medical leave laws, the Company will maintain, for up to a maximum of twelve (12) workweeks, any group health insurance coverage that the employee was provided before the leave on the same terms as if the employee had continued to work. In some instances, the Company may recover premiums it paid to maintain health coverage if the employee does not return to work following their workers' compensation disability leave. If the employee is not eligible for family and medical leave, they will receive continued coverage on the same basis as employees taking other leaves.

If the employee is not entitled to continued paid coverage, the employee may continue their group health insurance coverage through the Company in conjunction with federal COBRA guidelines by making monthly payments to the Company for the amount of the relevant premium. The employee should contact their supervisor for further information.

Reinstatement

Upon the submission of a medical certification that the employee is able to return to work, the employee will be reinstated in accordance with applicable law. If the employee is disabled due to an industrial injury, the Company will attempt to engage in the interactive process with them to determine if there is a reasonable accommodation that may be provided to enable the employee to perform the essential functions of their position to the extent that doing so would not create an

undue hardship for the Company. If the employee is returning from a workers' compensation disability leave that runs concurrently with a family and medical leave, then the provisions of the family and medical leave policy will also apply.

7.7. Military Leave/National Guard Leave

An eligible employee who enters the Armed Forces of the United States will be placed on extended leave without pay in accordance with applicable federal and California laws (e.g., the Uniformed Services Employment and Reemployment Rights Act and the California Military and Veterans Code). Upon completion of military service, the Company will reinstate those employees returning from military leave to the same or comparable position if they complete the following:

- 1) Have a certificate of satisfactory completion of service;
- 2) Apply within ninety (90) days after release from active duty or within such extended period, if any, as their rights are protected by law; and
- 3) Are qualified to fill their former position.

An employee who is a member of the National Guard or a reserve component of the Armed Forces shall, upon furnishing a copy of the official orders or instructions, be granted a military training leave. Training leaves will not, except in an emergency or in the event of extenuating circumstances, exceed two (2) weeks a year, plus reasonable travel time. Also note that the Company will make a reasonable attempt to accommodate employees in the Reserves on weekends or during the two (2) week annual active duty requirement.

7.8. Military Spouse Leave

Eligible employees who work more than twenty (20) hours per week and have a spouse in the Armed Forces, National Guard or Reserves who have been deployed during a period of military conflict are eligible for up to ten (10) unpaid days off during their spouse's qualified military leave period.

For the purpose of this policy, a "qualified leave period" means the period during which the qualified member is on leave from deployment during a period of military conflict. A "qualified member" means a person who is a member of the United States Armed Forces who has been deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States, or is a member of the National Guard who has been deployed during a period of military conflict, or a member of the Reserves who has been deployed during a period of military conflict.

In order to qualify for Spousal Leave, an employee must provide the Company with notice within two (2) business days of receiving official notice that the qualified member will be on leave from

deployment. The notice to the Company must include a statement that the employee's leave will be during the time the qualified member is on leave from deployment.

7.9. Civil Air Patrol Leave

Eligible employees that have been employed by the Company for at least ninety (90) days and are a member of the California Wing of the Civil Air Patrol will be granted up to ten (10) days of unpaid Civil Air Patrol Leave per calendar year, which can only be used in the event employee is instructed by the United States Air Force, the California Emergency Management Agency, or other authorized government agency (“Authorizing Government Agency”), to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Civil Air Patrol Leave for a single emergency operational mission shall not exceed three (3) days, unless an extension of time is granted by the Authorizing Government Agency and the extension of the leave is approved by the Company.

Notice

Employees are required to give the Company as much notice as possible of the intended dates upon which the leave will begin and will end. In addition, employees are expected to give the Company prompt notice if there is any change in their return date.

Reinstatement

Upon an employee’s return from Civil Air Patrol Leave, the employee will, in most circumstances, be offered the same position held at the time of the leave or an equivalent position. However, the employee will not be entitled to any greater right to reinstatement than if the employee had been employed continuously rather than on leave. For example, if the employee would have been laid off if they had not gone on leave, then they will not be entitled to reinstatement.

7.10. Organ Donation or Bone Marrow Donation Leave

Employee Eligibility

Organ Donation or Bone Marrow Donation Leave is available to those eligible employees who are organ or bone marrow donors under circumstances where there is a medical necessity for the donation of the organ or bone marrow by the employee.

Leave Available

Organ Donation or Bone Marrow Donation Leave is a paid leave of absence. For Organ Donation, eligible employees are permitted to take a paid leave of absence not exceeding thirty (30) business days in any one-year period. In addition, eligible employees are also permitted to take an unpaid leave of absence not exceeding thirty (30) days for the purpose of organ donation. For Bone Marrow Donation, eligible employees are permitted to take a paid leave of absence not exceeding

five (5) business days in any one-year period. The period during which the paid leave may be taken is measured from the date the employee's leave begins and consists of twelve (12) consecutive months. The leave described under this section may be taken at one time or intermittently, but in no event shall exceed the amount of leave described herein.

Organ Donation or Bone Marrow Donation Leaves of Absence do not run concurrently with CFRA and/or FMLA leave.

Notice & Certification

Requests for leave should be made in writing as far in advance as possible. In order to receive an Organ Donation or Bone Marrow Donation Leave of Absence, the employee must provide written verification to the Company that the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

Use of Available Sick Leave Prior to Organ Donation or Bone Marrow Donation Leave

Employees must use up to two (2) weeks of earned but unused sick leave before they will be eligible to receive Organ Donation Leave benefits.

Employees must use up to five (5) days of their available sick leave before they will be eligible to receive Bone Marrow Donation Leave benefits.

Benefits During Leave

The Company will continue to pay for medical insurance for employees on an Organ Donation or Bone Marrow Donation Leave of Absence for the duration of the leave (30 business days for organ donation and 5 business days for bone marrow donation). Any period of time during which an employee is required to be absent from their position by reason of leave under this section is not a break in the employee's continuous service for the purpose of the employee's right, if any, to salary adjustments, sick leave, paid time off, or seniority. Further, health insurance coverage will continue in the same manner as if the employee had not taken leave under this section.

Reinstatement

Employees will, in most circumstances, be offered the same position held at the time of the leave or an equivalent position. However, an employee will not be entitled to any greater right to reinstatement than if they had been employed continuously rather than on leave. For example, if the employee would have been laid off if the employee had not gone on leave, then they will not be entitled to reinstatement.

If upon return from an organ donation or bone marrow donation leave of absence the employee is unable to perform the essential functions of the job because of a physical or mental disability, the Company will engage in the interactive process with the employee to determine if there is a

reasonable accommodation that may be provided to enable the employee to perform the essential functions of their position to the extent that doing so would not create an undue hardship for the Company.

Unlawful Acts

It is unlawful for the Company to interfere with, restrain, or deny the exercise of any right provided by organ donation or bone marrow donation leave law. It is also unlawful for the Company to refuse to hire or to discharge or discriminate against any individual for being involved in any proceedings related to organ donation or bone marrow donation leave.

7.11. Bereavement Leave

The Company grants bereavement leave to employees in the event of the death of the employee's current spouse, registered domestic partner, child, parent, legal guardian, brother, sister, grandparent, or grandchild; or mother-, father-, sister-, brother-, son-, or daughter-in law.

An employee with such a death in the family who has worked for the Company for less than thirty (30) days may take up to three (3) consecutive scheduled workdays off without pay with the approval of the Company to attend funeral services in California.

An employee with such a death in the family who has worked for the Company for at least thirty (30) days may take up to five (5) scheduled work days off without pay with the approval of the Company. Such leave need not be consecutive but must be taken within three (3) months of the death of the family member.

Employees must provide notice of their need for bereavement leave as soon as practicable. The Company may require documentation supporting your need for bereavement leave.

7.12. Reproductive Loss Leave

Employees who have been employed for at least 30 days before the start of leave are eligible for five (5) days of unpaid bereavement leave for any reproductive loss event, defined as including miscarriage, failed adoption, failed surrogacy, stillbirth, or unsuccessful assisted reproduction. Bereavement leave must be completed within three months of the event, although the days do not need to be consecutive.

Should an employee experience multiple eligible events, they are eligible for a maximum of 20 days of reproductive loss leave in any 12-month period.

7.13. Civic Duty Time Off

The Company encourages employees to serve on jury duty when called. Non-exempt employees who are called for jury duty or subpoenaed to appear as a witness will be allowed sufficient unpaid time off to satisfactorily respond to this obligation. This time off is unpaid.

Exempt employees will receive full salary unless they are absent for a full week and perform no work during that week.

Employees should notify their supervisor of the need for time off for jury duty as soon as a notice or summons from the court is received. The employee may be asked to provide written verification from the court clerk of performance of jury service. If work time remains after any day of jury selection or jury duty, the employee will be expected to return to work for the remainder of their work schedule.

7.14. Time Off to Attend School/Child Care Activities or Emergencies

If an employee is a parent, guardian, stepparent, foster parent or grandparent of, or a person who stands in loco parentis to, a child in kindergarten, grades 1-12, inclusive, or a licensed child care provider and wishes to take time off to visit their child's school or licensed child care provider to participate in activities or to find, enroll or reenroll their child in a school or with a licensed child care provider, the employee may be eligible to take off up to eight hours each calendar month, per child, provided they give reasonable notice to their supervisor of their planned absence. The employee may also be eligible to take time off to address a child care provider or school emergency if the employee gives notice to their supervisor. The maximum amount of time off for eligible employees is forty (40) hours each calendar year. The Company requires documentation from the school or licensed child care provider noting the date and time of the employee's participation in activities.

If both parents of a child work for the Company, only one parent--the first to provide notice--may take the time off, unless the Company approves both parents taking time off simultaneously.

Employees must use accrued vacation in order to receive compensation for this time off. Employees who do not have accrued vacation available will take the time off without pay.

An employee may also be eligible to take time off to attend a school conference involving the possible suspension of their child or ward. The time off is unpaid. The Company will not discriminate against an employee who takes time off to appear at their child's or ward's school in connection with a suspension from a class or school. Please contact a supervisor if time off is needed for this reason.

7.15. Voting Time

Because the Company has a continuing interest in encouraging responsible citizenship, employees are urged to vote for candidates and issues of their choice at local, state, and national elections. Polls are open from 7:00 am to 8:00 pm each Election Day. If the employee is scheduled to be at work during that time and they do not have sufficient time outside of working hours to vote at a statewide election, California law allows the employee to take up to two (2) hours off to vote, without losing any pay. Time off may be taken only at the beginning or end of the employee's shift, whichever provides the least disruption to the normal work schedule. To receive time off for voting, employees must notify their supervisor and present a valid voter's registration card. When employees return from voting, it is necessary to present a voter's receipt to their supervisor. Two hours maximum may be arranged in advance with their supervisor. Whenever possible, the employee's request for time off to vote must be made to their supervisor at least two days prior to Election Day. Any time off for voting greater than two (2) hours is not paid.

7.16. Volunteer Civil Service Leave

No employee will be disciplined for taking unpaid time off to perform emergency duties as a volunteer firefighter, reserve peace officer, or emergency personnel. Eligible employees who are registered as a volunteer firefighter, reserve peace officer, or emergency rescue personnel (e.g. any officer, employee, or member of a fire department or fire protection or firefighting agency, or of a sheriff's department, police department, or a private fire department, whether a volunteer or paid worker, or any officer, employee, or member of a disaster medical response entity sponsored or requested by the state) who would like to perform emergency duty during work hours must notify their supervisor. Also, please alert a supervisor before leaving the premises when summoned for emergency duty.

In addition, eligible employees who perform emergency duty as a volunteer firefighter, reserve peace officer, or as emergency rescue personnel shall be permitted to take a temporary leave of absence in order to attend fire, law enforcement or emergency rescue training. Prior to taking time off for this training, employees must notify their supervisor of their intent to attend the training session.

All time off to serve as a volunteer is unpaid.

7.17. Alcohol and Drug Rehabilitation Leave

The Company wishes to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to perform their job in a satisfactory manner. Employees who have a problem with alcohol or drugs and who decide to enroll voluntarily in a rehabilitation program will be given unpaid time off to participate in the program unless it would result in an undue hardship to provide the time off. If an employee requests time off to participate in such a program, the Company will also make reasonable efforts to keep the fact that the employee

enrolled in the program confidential. The employee may use any accrued sick leave or vacation benefits while on leave. However additional benefits will not be earned during the leave of absence. The leave will be subject to the same provisions and rules as apply to medical leaves.

7.18. Literacy Education

The law requires the Company to reasonably accommodate and assist any eligible employee who reveals a problem with illiteracy. Consistent with this obligation, if an employee reveals such a problem and requests the Company's assistance in enrolling in an adult literacy education program, the Company will attempt to assist the employee if the accommodation requested would not result in an undue hardship to the Company.

The type of assistance available from the Company will include, as examples, providing the employee with the locations of local literacy education programs or arranging for the literacy education provider to visit the Company. The Company does not provide paid salary, however, for participation in an adult literacy education program. The Company will attempt to safeguard the privacy of the fact that an employee is enrolled in an adult literacy education program.

7.19. Victims of Domestic Violence, Sexual Assault and Stalking

If an employee or a qualifying family member (defined as a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the employee) is the victim of domestic violence, sexual assault or stalking (a “qualifying act of violence”), time off may be necessary to seek judicial relief to help ensure the health, safety, or welfare of the employee or family member. This may include any of the following: (1) efforts to obtain a temporary restraining order, a restraining order, or other injunctive relief from a court, (2) to obtain medical attention or recover from injuries caused by the qualifying act of violence, (3) to obtain services from a domestic violence shelter, program, rape crisis center, or victim’s services organization, (4) to obtain psychological counseling or other mental health services related to a qualifying act of violence, (5) to participate in safety planning or take other precautions to prevent future acts of violence, (6) to relocate or secure a new residence due to the qualifying act of violence, (7) to provide care for a family member recovering from injuries due to a qualifying act of violence, (8) to obtain civil or criminal legal services in relation to the qualifying act of violence, (9) to prepare for or attend any legal proceeding related to a qualifying act of violence, (10) to obtain or provide child or adult dependent care if necessary to ensure the safety of that child or dependent adult due to a qualifying act of violence.

If an employee needs time off from work for one of these purposes or any other purpose protected by law, reasonable notice must be provided to the employee’s supervisor or Corporate Office, in writing. If an unscheduled or emergency court appearance is required for the health, safety or welfare of the domestic violence, sexual assault or stalking victim or a child, the employee must provide evidence from the court or prosecuting attorney that the employee has appeared in court within a reasonable time after the court appearance.

Employees may use their available sick leave to cover the period of the absence.

In addition, the Company will provide eligible employees a reasonable accommodation(s) for a victim of domestic violence, sexual assault, or stalking who requests an accommodation for the safety of the employee while at work provided the accommodation does not constitute an undue hardship on the Company.

Eligible employees may also take time off to seek medical attention for injuries caused by domestic violence, sexual assault or stalking; obtain services from a domestic violence shelter, program or rape crisis center as a result of domestic violence, sexual assault or stalking; obtain psychological counseling related to domestic violence, sexual assault or stalking; and participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault or stalking, including temporary and permanent relocation. If feasible, employees should provide reasonable advance notice of their intent to take such time off. If not feasible, employees should provide certification of the need for leave within a reasonable time. Certification includes a police report, court order or documentation from a medical professional, advocate, health care provider or counselor. The Company will maintain the confidentiality of any employee who requests leave as a result of domestic violence, sexual assault or stalking. Employees may use their available sick leave during the leave. Domestic violence, sexual assault and stalking victims' leave for medical treatment does not exceed or add to the unpaid leave time that FMLA allows. This leave is limited to twelve (12) weeks in a twelve (12) month period.

7.20. Time Off for Victims of Serious Crimes

Under certain circumstances provided by law, employees who are victims of serious crimes may take time off from work to participate in judicial proceedings. Qualified family members of such crime victims may also be eligible to take time off from work to participate in judicial proceedings. The law defines a serious crime to include violent or serious felonies, including felonies involving theft or embezzlement. Where possible, employees must provide Company advance notice of the need for time off. Employees may use their unused sick leave to cover the period of the absence in accordance with the provisions of California law.

PRIVATE SECURITY GUARDS

SECTION 8: PRIVATE SECURITY GUARD PRE- AND POST-EMPLOYMENT POLICIES

8.1. Bureau of Security and Investigative Services (BSIS)

California has a regulatory bureau that oversees contract security companies and their security personnel. This agency is the Bureau of Security and Investigative Services (“BSIS”). Employees are required to obtain and maintain a state-issued registration (“guard card”) to work as a security officer. The guard card must be in their possession at all times while the employee is on duty. Although the Company may assist an employee in obtaining their registration, it is the employee’s responsibility to keep it current and to renew it prior to expiration. If the employee’s guard card is expired or has been suspended or revoked, the employee may not work as a security officer. In such a case, further employment by the Company may not be available and the employee may be terminated.

BSIS sets forth rules governing a security officer’s job, the violation of which could result in revocation of a security officer’s license, fine or even imprisonment. The most important rules for the employee to know and follow are:

- 1) An employee shall not knowingly make any false report to their employer or client.
- 2) An employee shall not use a badge except when on duty and in uniform. The badge shall be worn on the exterior of the uniform, not carried in a wallet or displayed by hand or on a belt.
- 3) An employee shall not report on duty without a valid guard card in their possession.
- 4) When an employee’s registration has expired, they will be required to reapply for a guard card. An employee cannot work without a valid guard card and therefore, should reapply for their guard card well before it expires.
- 5) An employee’s guard card registration may be suspended if they fail to notify the BSIS of any change of address within thirty (30) days.
- 6) An employee may not carry a firearm, baton, or chemical agent unless they have successfully completed a state-approved course and been issued a certificate for carrying such devices and be assigned to a jobsite by the Company where such a device(s) is authorized. Allowing a firearm qualification permit to expire will result in the immediate revocation of the employee’s right to work in an armed capacity.

- 7) An employee must never represent themselves to be a police officer, sheriff, or any other law enforcement official. To do so is a crime and is punishable by fine, imprisonment, or both.
- 8) An employee's BSIS training modules, including the annual eight (8) hour refresher course training, must be up to date or the employee will not be allowed to work as a security officer.

These are only a few of the rules and regulations that apply to security officers in California. Employees working as security officers are responsible for knowing and complying with all BSIS rules and regulations and California law.

8.2. Security Guard Registration and Background Checks

In order to be employed by the Company as a private security guard, the employee will be required to:

- 1) Consent to and have completed a background check, which may include a check of their criminal records, driving records and verification of previous employment. Other records may also be checked depending upon the type of position for which the employee is being considered.
- 2) Comply with all licensing requirements set by the State of California. An employee working as a security guard must have in their possession a valid security guard registration ("guard card") or a screen-print of the Bureau's approval from the Bureau's web site at www.dca.ca.gov/bsis, along with a valid photo identification, before working as a security guard. Employees should contact the Company corporate office if they have any questions about the law.
- 3) Each employee is responsible for the renewal of their respective guard card. Because there is no guarantee as to how long it will take the state to process a renewal, employees should submit for renewal at the earliest possible date and not later than ninety (90) days prior to the expiration of their current card. If they do not receive the new registration card three weeks prior to the expiration of their current card, they may want to call Consumer Affairs (916-322-4000) for an extension of their current registration. Employees who allow their guard card to expire will immediately be ineligible for work as a security guard.
- 4) Employees must make sure that the regular state security guard registration card is with them at all times that they are performing duties for the Company. Failure to have the card in their possession may result in disciplinary action up to and including termination of employment. All certifications that are required to be carried must be shown upon request of a supervisor, manager, law enforcement officer, or a BSIS agent.

- 5) Employees must notify the BSIS if they change their address.
- 6) Employees must supply the office with a copy of their current registration card and all required certifications.
- 7) Employees must immediately report to their supervisor if any law enforcement officer charges them with any offense, or any time the employee uses force in order for it to be reported within seven (7) business days to BSIS, as required. Failure to report may result in discipline, up to and including termination.

The Company may provide services in jurisdictions other than California. It is the responsibility of employees to know and comply with all laws and regulations related to security officers in the jurisdiction in which they work.

SECTION 9: DOCUMENTATION

Employees are responsible for fully reviewing Post Orders (written instructions at your assignment), properly filling-out Incident Reports, Use of Force Incident Reports, and Daily Activity Reports (“DARs”).

9.1. Post Orders

Only the management staff will distribute work assignments to all security personnel. When possible, employees working as security officers will be advised of future assignments well in advance so they will have ample time to prepare for the assignment. Once they have begun an assignment, they will report directly to their supervisor for all matters relating to its completion. The employee’s supervisor, depending on the number of officers assigned to a particular post, will explain what and how to handle an emergency situation.

Prior to beginning a post assignment, the employee will be given a shift schedule and they will be briefed by their supervisor or the Corporate Office as to approved working hours. Post Orders will be made available to them. Post Orders describe in detail the job duties of each security officer assigned to a particular post. These Post Orders communicate the expectations of the particular client. It typically lists emergency numbers and the required functions to be performed at a given post.

Whenever possible, a supervisor will be available on an employee’s first day of any assignment to go over their duties with them. Upon encountering any problems at a particular post, call a supervisor immediately.

If a client, or an employee of a client, requests that the employee perform a duty that is not in the written post orders, the employee should first seek authorization from their supervisor immediately. The Company understands that sometimes advanced authorization may not be

possible. In such instances, an employee should always use their best judgment when performing duties or when requested to perform duties that are not a usual part of the written post orders. Any deviation from the written post orders should be reported to the employee's supervisor as soon as practical and noted in the Daily Activity Report (See below).

9.2. Daily Activity Reports (“D.A.R. / Electronic Progress and Timekeeping Report”)

The Company requires its employees working as security officers to make entries into their D.A.R. / electronic progress and timekeeping reports every hour of each shift, or as otherwise specified in Post Orders for that particular post. D.A.R. / electronic progress and timekeeping reports will be checked randomly by supervisors and/or managers. Therefore, it is the security officer's responsibility to ensure D.A.R. / electronic progress and timekeeping reports are completed accurately and on time.

Remember the following when preparing D.A.R. / electronic timekeeping reports and incident reports:

- 1) Write the reports with the reader in mind.
- 2) All written communication must be printed legibly in English (no cursive handwriting or scribbling). D.A.R. / electronic progress and timekeeping reports must also be filled out using complete sentences.
- 3) All daily reports, incident reports, etc. will be written with the correct spelling and grammar, in upper case block letters. These reports must be completed prior to an employee leaving their post.
- 4) The D.A.R. / electronic progress and timekeeping reports must indicate when the officer on duty is visited by the Company supervisor or management.
- 5) The D.A.R. / electronic progress and timekeeping reports must indicate when the officer on duty is visited by the police or client.
- 6) D.A.R. / electronic progress and timekeeping reports must be completed correctly and in sufficient detail. Be as accurate as possible. D.A.R. / electronic progress and timekeeping reports must provide detailed accounts of all incidents such as loitering or trespassing. D.A.R. / electronic progress and timekeeping reports should never be left blank.
- 7) D.A.R. / electronic progress and timekeeping reports must not be pre-written. Preparing D.A.R. / electronic progress and timekeeping reports ahead of time is grounds for disciplinary action, up to and including termination.

Security officers may be required to make safety checks while on foot patrol during each shift and record the time the check was conducted in the D.A.R. / electronic progress and timekeeping report. The common hazards the employee should watch for on rounds include:

- Slippery floors
- Tripping hazards
- Poor lighting
- Inadequate warning signs
- Leaks such as water, steam, oil, gasoline, chemicals, unusual fumes
- Open holes
- Low hanging objects, piled supplies, blocked aisles, protruding nails
- Unusual sounds
- Any condition an employee determine unsafe

Any dangerous conditions should be addressed as soon as it is safe to do so. This may be a simple phone call, or more hazardous conditions may require a warning sign or cone (if available), or other action to try to reduce the chance of damage or injury. Use your best judgment in these situations.

9.3. Incident Reports

An Incident Report is necessary when something happens that must be documented more fully than a D.A.R. / electronic progress and timekeeping report allows. When a reportable incident occurs, the D.A.R. / electronic progress and timekeeping report should briefly log the event. The Incident Report, however, should detail in full all facts related to the particular incident. Some posts have separate incident reports for specific types of events such as any type of confrontations, parking violations, alarm activation, etc.

An incident warranting an Incident Report is defined as, but not limited to:

- 1) Accident (Vehicle, Physical, Medical Incident, etc.)
- 2) Physical Altercation
- 3) Use of Force (which will require an additional report – See below)
- 4) Arrest Made
- 5) Drawing a Weapon from its holster
- 6) Any Event Involving “hands-on” a Subject

- 7) Utilizing a Weapon:
 - a) Chemical Agent
 - b) Impact Weapon
 - c) Taser
 - d) Firearm
 - e) Handcuffs

When an Incident occurs, the employee should call their supervisor through the chain of command who will make the decision as to when to contact the Company Upper Management regarding the incident.

Employees have twenty-four (24) hours to submit Incident Reports to their supervisor unless permission is otherwise granted by the Corporate Office. The reports must be printed legibly in English with the correct spelling and grammar and they must be as accurate and detailed as possible. (Note that Use of Force Incident Reports are to be submitted immediately – See “Use of Force Incident Report” under the “Use of Force” section, below.)

SECTION 10: USE OF FORCE

The Company’s primary responsibility is to observe and report. It is the policy of the Company that all employees conduct their duties with the intent to avoid physical confrontations with others, however it is recognized that in the performance of the security officer's duties there may arise situations where use of force is necessary.

10.1. Use of Force Policy

The Company has established this Use of Force Policy and it is applicable to all security officer personnel. It is the Company policy that employees shall only use force where it is reasonably necessary to: (1) protect oneself or others from imminent bodily injury or death; or (2) overcome resistance or non-compliance to a lawful directive or lawful arrest for a felony or for a misdemeanor committed in your presence. The degree of force used shall be only that amount of force reasonably necessary to counter the threat and may be employed for as long as the threat persists. The use of force is dictated by the threat from the suspect, and should be proportionate to that threat, which can change in any dynamic situation.

The use of force is appropriate where the security officer believes the action is in defense of another, including the officer, from a potential or actual physically violent situation and to effectively bring the situation under control pending a response from local police agencies. If faced with a clear and immediate threat of bodily harm, security personnel should always consider retreating if reasonable to do so at the time.

Deadly force may never be used for the protection of property or information. “Deadly Force” is any use of force that is likely to cause death or serious bodily injury. Deadly force must only be used to defend life or imminent threat of great bodily injury. Employees who improperly use or apply excessive force may be held liable for their actions in a court of law, both criminally and civilly and subject to disciplinary action, up to and including, immediate termination.

The use of excessive force can result in both criminal and civil liability. It may also result in discipline, up to and including termination.

10.2. Use of Force Incident Report

Employees are expected to complete a usual Incident Report (described above) any time something unusual occurs during their shift which should be documented. This includes contact with persons, problems on or with the property, safety concerns, or anything that, in the professional judgment of the employee should be brought to the attention of a supervisor and/or management. In addition to a usual Incident Report, all employees must report any use of force that goes beyond verbal commands or gestures by completing a Use of Force Incident Report. Thus, for example, a Use of Force Incident Report shall be completed for any use of control holds, use of handcuffs, OC spray or propellant, any time hands are placed on an individual suspect, use of baton or use of Taser, or the drawing or use of a firearm. Security personnel that use such force shall report the incident to their supervisor as soon as safely possible, and in any case, before the employee leaves for the day. (Overtime will be authorized for purposes of completing the Use of Force Incident Report.) In the event the employee is unable to complete the report due to injuries or other circumstances beyond the employee’s control (i.e., in police custody), the employee’s supervisor shall complete a Use of Force Incident Report based upon the facts known. Any Security employee who witnesses the use of force by another Company employee shall also complete a Use of Force Incident Report as soon as is safely possible. The Use of Force Incident Report shall be completed no later than within 8 hours following the incident. [Management can help determine whether an additional use of force report shall be made to the BSIS within the 7-business day requirements of section 7583.2 of the Business & Professions Code.]

Failure to submit properly completed D.A.R. / electronic progress and timekeeping reports, Incident Reports and Use of Force Incident Reports on time could result in disciplinary action taken against the employee up to and including termination.

Where appropriate, all use of force incidents shall be reported to BSIS in accordance with Business & Professions Code sections 7583.2 (Use of Force) and 7583.4 (Discharge of a Firearm).

10.3. Power to Arrest, Search and Detain

Security officers do not have police powers beyond that of any ordinary citizen and must operate under the laws permitting private person arrests and use of reasonable force. Security officers are

not permitted to touch, search or arrest any individual except under limited circumstances. Security officers may touch, search or detain an individual only:

- 1) When the individual has consented to the search freely and voluntarily.
- 2) When security officers are acting in self-defense.
- 3) When security officers are witnessing a misdemeanor in progress or when they have a reasonable belief that a felony was committed by the suspect.
- 4) When security officers are acting to protect the physical safety of others.
- 5) At the specific instruction of on-duty law enforcement personnel.
- 6) When making a legal citizen's arrest. [Note: law enforcement personnel must be immediately called to take custody]. At that point, a search can only be conducted to determine whether there are any weapons on a suspect's person.
- 7) To enforce a merchant's right to detain under California Penal Code §490.5 ("Shopkeepers Privilege").

Wrongfully detaining a person, or falsely arresting a person can result in criminal and civil liability. It may also result in discipline, up to and including termination.

10.4. Notifying Law Enforcement

Local law enforcement shall be immediately notified any time a suspect is placed under arrest by an employee, any time force is used that causes injury to either the suspect, the employee, or any other person. The notification shall be made as soon as safely possible.

SECTION 11: WEAPONS & SECURITY EQUIPMENT

Under no circumstances are weapons of any kind to be carried on duty unless expressly authorized by the Company and the Officer is appropriately licensed to carry said weapons. This includes but is not limited to: Firearms, impact weapons, stun devices, chemical agents, knives, handcuffs, etc. Violation of any portion of this Section ("Weapons & Security Equipment") may result in discipline, up to and including termination.

Security Officers are only allowed to carry Company approved weapons and equipment on duty. All Security Officers are required to demonstrate proficiency to a Company approved instructor in the weapons they are licensed to carry prior to carriage of said weapons on duty. In order to carry approved weapons and security equipment while on duty, employees must possess all appropriate licenses and have proof of those licenses on their person at all times when on duty.

11.1. Chemical Agents

Security Officers are only permitted to carry Non-Lethal Chemical Agents on duty if they possess all of the following:

- 1) Express authorization from the Company;
- 2) They have completed a Chemical Agents Training Course per 12403.5 PC; and
- 3) They have in their possession (while carrying said Chemical Agents) a valid and current BSIS issued Chemical Agents Permit.

11.2. Stun Devices

Security Officers are only permitted to carry Non-Lethal Stun Devices on duty if they possess all of the following:

- 1) Express authorization from the Company;
- 2) They have completed a Company-approved Stun Devices Training Course per 12650 & 12651 PC; and
- 3) Stun Devices are normally assigned to supervisors or will be checked out at the beginning of an (authorized to carry) officer's shift and checked back in at the end of the (authorized to carry) officer's shift.

11.3. Impact Weapons

Security Officers are only permitted to carry Impact Weapons on duty if they possess all of the following:

- 1) Express authorization from Company;
- 2) They have completed a BSIS approved Impact Weapons Training Course; and
- 3) They have in their possession (while carrying said Impact Weapons) a valid and current BSIS issued Baton Permit.

11.4. Firearms

Exposed Firearms. Security Officers are only permitted to carry exposed firearms on duty if they possess all of the following:

- 1) Express authorization from the Company;

- 2) They have completed a BSIS approved Firearms Training Course where they have successfully demonstrated their proficiency, and have produced a certificate of proficiency from a Firearms Training Instructor licensed by the BSIS; and
- 3) They have in their possession (while carrying said Firearm) a valid and current BSIS issued Firearms Permit.

Concealed Weapons. Security Officers are only permitted to carry concealed firearms on duty if they possess all of the following:

- 1) They have the express authorization from the Company to carry a concealed weapon;
- 2) They have satisfied all of the above requirements to carry an exposed firearm; and
- 3) They have in their possession at all times while carrying a concealed firearm a valid permit issued by an appropriate law enforcement official authorizing the employee to carry a concealed weapon (i.e., permit to carry a concealed weapon, or “CCW” permit).

NO FIREARMS ARE PERMITTED TO BE CARRIED ON DUTY UNLESS PRIOR EXPRESS AUTHORIZATION IS PROVIDED BY THE PRESIDENT/CEO.

All Company officers who are permitted to carry a firearm must adhere to all federal, state, and local laws, as well as all Company policies, rules and regulations.

CONCLUSION

The management of Callan Management Co., Inc. dba Western Area Security Service, Inc. thanks employees for taking the time to thoroughly read this Employee Handbook.

Many Company policies and employee benefits have been addressed only briefly in this Handbook. Management expects everyone to abide by and follow company policies as set forth and described herein. However, all employees are encouraged to bring forward their suggestions about how the Company can be made a better place to work, improve jobs, and enhance services to clients.

If employees have any questions or want more information, please see a supervisor or the Corporate Office, who will be happy to help employees with any questions.

Sincerely,

Kevin J. Butler

CEO

Callan Management Co., Inc.

ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK AND AT-WILL AGREEMENT

This is to acknowledge that I have received a copy of Callan Management Co., Inc. dba Western Area Security Service, Inc.'s (the "Company") Employee Handbook, issued in 2025, and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities, and obligations of employment with the Company. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies, and standards set forth in the Employee Handbook.

I also acknowledge that my employment with the Company is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the Company. I also acknowledge that this policy of at-will employment may be revised, deleted or superseded only by a written employment agreement signed by the Owner, Kevin J. Butler, which expressly revises, modifies, deletes, or supersedes the policy of at-will employment.

I also acknowledge that, except for the policy of at-will employment, the Company reserves the right to revise, delete, and add to the provisions of this Employee Handbook. All such revisions, deletions, or additions must be in writing and must be signed by the Owner. No oral statements or representations can change the provisions of this Employee Handbook. I also acknowledge that, except for the policy of at-will employment or a signed written employment agreement providing otherwise, the terms and conditions of my employment with the Company may be modified at the sole discretion of the Company with or without cause or notice at any time. No implied contract concerning any employment-related decision or term and condition of employment can be established by any other statement, conduct, policy, or practice.

I also acknowledge that I understand nothing in this Handbook is designed to interfere with, restrain, or prevent me from communicating regarding wages, hours, or other terms and conditions of my employment with the Company and that I may exercise my statutory rights to organize or engage in concerted activity under the National Labor Relations Act or other laws.

I understand that, unless my employment is covered by a written employment agreement signed by the Owner, providing otherwise, the foregoing agreement concerning my at-will employment status and the Company's right to determine and modify the terms and conditions of employment is the sole and entire agreement between me and the Company concerning the duration of my employment, the circumstances under which my employment may be terminated, and the circumstances under which the terms and conditions of my employment may change.

I further understand that, with the exception of written employment agreements signed by the Owner, this agreement supersedes all prior agreements, understandings, and representations concerning my employment with the Company.

Date: _____

Employee's Name (Print): _____

Employee's/Applicant's Signature: _____

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE.
A COPY OF THIS ACKNOWLEDGMENT WILL BE PROVIDED TO YOU.

**ACKNOWLEDGEMENT OF RECEIPT OF POLICY PROHIBITING
UNLAWFUL HARASSMENT AND DISCRIMINATION**

I acknowledge that I have received a copy of Callan Management Co., Inc. dba Western Area Security Service, Inc.'s (the "Company") written policy against unlawful harassment and discrimination and understand that the company will not tolerate unlawful harassment or discrimination by any employee. It is a zero-tolerance policy. I recognize that the only way an employer can achieve its goal of providing a discrimination-free and harassment-free work environment is with the assistance of its employees. The Company and its employees must therefore be partners in the commitment to provide a work environment that is free of unlawful discrimination and harassment.

I agree to comply with all aspects of the policy against unlawful harassment and promise that I will not violate the law or the Company's policy. I also promise to fulfill all of my responsibilities under the policy, including the responsibility to report any unlawful harassment immediately to my supervisor, any other supervisor or, alternatively, to the Owner, Kevin J. Butler, in accordance with the procedures of the policy. I will do all that I can to assist the company to provide and maintain a workplace that is free of unlawful discrimination and harassment.

Date: _____

Employee's Name (Print): _____

Employee's/Applicant's Signature: _____

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE.
A COPY OF THIS ACKNOWLEDGMENT WILL BE PROVIDED TO YOU.

ACKNOWLEDGEMENT OF RECEIPT OF DRUGS & ALCOHOL POLICY

I acknowledge that I have received a copy of Callan Management Co., Inc.'s Drug and Alcohol Free Workplace Policy.

I acknowledge that it is my responsibility to read and become familiar with the terms of the Policy, including but not limited to its provisions on drug and alcohol testing, corrective action, consequences and voluntary enrollment in drug/alcohol rehabilitation programs.

I further recognize that testing for drugs and/or alcohol, when requested, is a condition of continued employment and refusal to submit to such a test will be grounds for my immediate termination.

Date: _____

Employee's Name (Print): _____

Employee's/Applicant's Signature: _____

TO BE PLACED IN EMPLOYEE'S PERSONNEL FILE.
A COPY OF THIS ACKNOWLEDGMENT WILL BE PROVIDED TO YOU.