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C A N N A B I S

(Top Flight Distribution LLC)

## **Employee Handbook**

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## WELCOME

Welcome to Top Flight Distribution! We hope that you will find your position with us to be rewarding, challenging, and productive. It is our philosophy to recognize the individual rights of all employees and to treat each person with courtesy, dignity, and respect. We believe this can be accomplished by maintaining an atmosphere of mutual trust in which employees may discuss shared problems and arrive at satisfactory solutions.

As an employee of Top Flight Distribution, you are one of our most important resources. Top Flight Distribution is committed to having each employee fulfill his or her potential as part of the Top Flight Distribution team, because our success and continued growth depends upon the dedication of our employees.

Once again, we welcome you as a valuable employee of Top Flight Distribution and wish you success in your new challenges and opportunities. With your dedication, we are looking forward to continued growth and success as we find new and better ways to serve the consumers who depend on us.

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## SCOPE AND RIGHT TO REVISE

To ensure employees become acquainted with Top Flight Distribution this handbook has been prepared to outline some of Top Flight Distribution's employment policies and procedures in effect at the time of publication, and to provide general information to employees. This handbook applies to all employees: exempt and non-exempt, full-time and part-time employees.

This handbook supersedes all previously issued handbooks and any inconsistent policy statements or memoranda.

The information provided in this handbook cannot anticipate every situation, nor can it answer every question regarding employment; however, the handbook provides a useful guide to Top Flight Distribution's current policies and procedures. If employees have any questions not answered in this handbook, they should contact Human Resources. The provisions in this handbook override any contradictory statements made by any Top Flight Distribution manager. Exceptions are valid only when received in writing and when signed by the General Manager of Top Flight Distribution.

Top Flight Distribution reserves the right to revise, modify, delete, or add to any or all policies, procedures, work rules and/or benefits, stated in this handbook or in any other document, in whole or in part, with or without notice, at any time, except for the policy of "at-will" employment. Policies and procedures may continually be modified, changed, or revoked depending on the needs of Top Flight Distribution and Top Flight Distribution's employees. Furthermore, new policies may be adopted. All changes and modifications of existing policies and procedures, and the adoption of any new policies and procedures are effective immediately. No oral statements or representations can in any way alter the provisions of this handbook. In all cases, the most current and only valid version of the handbook will be available through the Human Resources and supersedes in all respects any previously issued handbooks, policies, or memorandum.

This handbook sets forth the entire agreement between employees and Top Flight Distribution as to the duration of employment and the circumstances under which employment may be terminated. This handbook does not constitute an expressed or implied contract of employment, or warranty of any benefits that are not federally mandated. Nothing in the handbook or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

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## AT-WILL EMPLOYMENT

The employment arrangement is terminable "at-will" by either Top Flight Distribution or you at any time for any reason, with or without cause, and without advance notice. The employment relationship is "at-will", without regard to your length of service or the benefits you receive from Top Flight Distribution. This "at-will" policy includes, and applies to, without limitation, any change of status during employment such as termination, demotion, pay adjustment, change of position, or job duties, job transfer, change of benefits, or any other change in the terms and conditions of your employment. No contract of employment for other than "at-will" employment is expressed or implied by this agreement or any other policy, procedure, or practice. The "at-will" relationship can only be changed by a written agreement signed by the General Manager of Top Flight Distribution.

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## EQUAL OPPORTUNITY EMPLOYMENT

Top Flight Distribution provides equal employment opportunity for all applicants and employees without regard to sex; gender; gender identity; gender expression; race; color; religious creed (including religious dress and grooming practices); religion; age (40 years and older); national origin; ancestry; citizenship; mental or physical disability; pregnancy, breastfeeding, childbirth and related medical conditions; marital status; sexual orientation; veteran and/or military status; medical condition as defined by state law (including cancer and genetic information/expression); status as a SoonerCare recipient; domestic violence victim status; political affiliation; or any other basis protected by applicable federal, state, or local laws and ordinances. This applies to all employment practices including recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities, access to facilities and programs, and general treatment during employment.

If any employee has questions or concerns about equal employment opportunities in the workplace or feels the employee is being discriminated against in violation of this policy, please contact Human Resources immediately. We will not allow any form of retaliation against individuals who raise issues of equal employment opportunity. Anyone found to be engaging in any type of discrimination or retaliation in violation of this policy will be subject to disciplinary action, up to and including termination of employment.

## Americans with Disabilities Act Policy Statement (ADA)

Top Flight Distribution is committed to comply with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is Company policy not to discriminate against any qualified employee or applicant with regards to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of his/her job. Consistent with this policy of nondiscrimination, the Company may provide reasonable accommodations to a qualified individual with a disability so that he or she can

continue to perform the essential duties of his/her job, provided that such accommodation does not constitute hardship on the Company.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact Human Resources directly (not their manager). The Company will participate in the interactive process with any employee experiencing limitations on their ability to perform the essential duties of their job, to determine if an effective reasonable accommodation can be met.

On receipt of an accommodation request, the Company will make a determination about the feasibility of the requested accommodation, considering various factors including, but not limited to, the nature and cost of the accommodation, the duration of time involved, outside funding, the Company's overall financial resources, the accommodation's impact on the ability of other employees to perform their duties, and on the ability of the employee's department and office to effectively conduct business. Each accommodation request will be considered on a case-by-case basis; whereas an accommodation might be made in one office or department or for one employee, the same accommodation might not necessarily be made for another employee, or for the same employee at a later time.

### **Conflict of Interest**

In conducting Top Flight Distribution's business, employees must avoid any business, activity or other situation which may possibly constitute a conflict of interest. Examples of conflict of interest situations include, but are not limited to, (a) accepting employment with, acting for or rendering services to any business or endeavor, with or without compensation, which competes or conducts business with Top Flight Distribution; (b) disclosing or utilizing confidential customer or company information or trade secrets; (c) soliciting or diverting Top Flight Distribution business or customers away from Top Flight Distribution; or (d) soliciting co-employees to work for another company.

If you have questions or concerns regarding a potential conflict of interest, you should discuss these with your manager or Human Resources promptly.

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## **COPYRIGHT OWNERSHIP**

### **Work-for-Hire Notice**

Top Flight Distribution, not the Employee, owns the copyright in any work created by the employee during the course of employment with Top Flight Distribution. Employee acknowledges that the Work is being created by Employee as a "work made for hire" under the United States Copyright Act and, at all stages of development, the Work shall be and remain the sole and exclusive property of Top Flight Distribution. Employee is giving up all rights, including the right to any future profits. At Top Flight Distribution's sole, absolute, and unfettered discretion, Top Flight Distribution may make any changes in, deletions from, or additions to the

Work. If for any reason the results and proceeds of Employee's services hereunder are determined at any time not to be a work made for hire, Employee hereby irrevocably transfers and assigns to Top Flight Distribution all right, title and interest therein, including all copyrights.

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## **SALARY & WAGE PROGRAM**

Our salary and wage program is designed to reflect staff performance and improvement, the prevailing wages in the area, the growth of our business and the state of the economy in general. It is our philosophy that a salary and wage program should encourage and support excellence.

Critical to Top Flight Distribution is that we do any work necessary to ensure on-time production and delivery of our products. This means that you might be asked to do work you do not ordinarily perform – either in a different department or a new job in your own department. It all depends on particular deadline needs and the availability of other employees.

The knowledge and experience you gain by these occasional assignments will make it easier to satisfy our production needs. Your knowledge, initiative and flexibility within the company are considered heavily in our salary and wage program.

### **Attendance**

Each employee is required to be prompt and regular in attendance on assigned workdays. Dependability is essential for a smoothly running operation and is a factor which is considered during an employee's introductory period and for performance evaluations. If you are unable to be at work at the assigned work time, you must notify your immediate manager as early as possible before your scheduled work time of the time you will be in and the reason for your tardiness.

Except in an instance of serious incapacity, notice should be made by a telephone call, text message or e-mail from you, rather than from a relative or friend.

An employee who does not report to work on a scheduled workday or who does not report the absence to his/her immediate manager as required will be considered to have voluntarily terminated his/her employment after three (3) consecutive workdays of such absence.

### **New Hires and the Introductory Period**

The first ninety (90) days of continuous employment at Top Flight Distribution is considered an introductory period. During the introductory period, an employee will not be eligible to receive all benefit(s) listed in the BENEFIT section of this handbook until the first ninety (90) days of continuous employment have been completed.

During their introductory period, employees become acquainted with their present job responsibilities and performance standards, get acquainted with fellow employees and determine whether they are happy with their job. Also, during this time, a manager will monitor the new employee's performance. Job responsibilities may change at any time throughout the course of employment, and employees may be asked to work on special projects, or to assist with other work necessary or important to the operation of their department or the company. Cooperation and assistance in performing such additional work is expected from all employees.

Completion of the 90-day introductory period does not entitle any employee to remain employed by Top Flight Distribution for any definite period of time, but rather allows both the employee and Top Flight Distribution to evaluate whether or not the employee is right for the position. After completion of the introductory period, eligible employees may receive the benefits described in this handbook.

Top Flight Distribution reserves the right, at any time, with or without notice, to alter or change any employee's job responsibilities, reassign, or transfer any employee to a different job position, assign additional job responsibilities to any employee, or terminate any employee's employment relationship with Top Flight Distribution.

## Work Schedules

Managers will assign individual work schedules to employees, based on the needs of the employee's role. Employees may request to change their regular workday to an alternative schedule, but the change request must be approved in advance by their manager and is not guaranteed. All employees are expected to be at their desks or workstations at the start of their scheduled shift, ready to perform their work.

A full-time, regular employee is defined as an employee that works 40 hours per work week. A part-time, regular employee is defined as an employee that works 1-39 hours per work week.

## Rest and Meal Periods

Top Flight Distribution requires that employees who work five or more hours per day take a minimum 30-minute unpaid meal period that **must** start before the end of the fifth hour of the shift. Non-exempt employees who work more than 10 hours in a day are provided a second unpaid, off-duty 30-minute unpaid meal period. If an employee works no more than 12 hours, the employee can waive the employee's second 30-minute unpaid meal period, but only if the first 30-minute unpaid meal period was not waived. Any waiver of the second 30-minute unpaid meal period must be in writing and submitted before the second meal period.

In addition to the meal period(s), Top Flight Distribution provides a 10-minute paid rest break during the first four hours of work, a second 10-minute paid rest break during the second four hours of work, and one for every four hours of work thereafter. Break time may not be accumulated or credited at other times.

Employees are expected to observe assigned working hours and schedule their own meal and rest periods. Employees must report any instances of missed meal or break periods so that other arrangements can be made.

Employees should not leave the premises during rest periods and should not take more than ten minutes for each rest period. Employees may leave the premises on meal periods and should not perform any work.

If there is a designated lunch area, it should be maintained in a clean and presentable manner by all that use it.

### **Recording Hours Worked (Employee Time-in & Time-out)**

Federal law requires recording hours worked by non-exempt employees. These employees must accurately record their own time at the beginning and at ending of each work period, as well as the beginning and ending of each meal period. They must also record the beginning and ending time of any split shift or departure from work for personal reasons.

Non-exempt employees are required to use the time and attendance timekeeping system to mark their hours. Falsifying the timekeeping system or failing to accurately record hours worked will be subject to disciplinary action up to and including termination.

Any errors on the timekeeping system or problems regarding the timekeeping system should be reported immediately to Human Resources.

### **Employee Badges**

As a part of the Top Flight Distribution's commitment and strategy to ensuring the safety and security and improving our services, all employees will be required to obtain and carry an TFD-issued photo identification (ID) badge. An TFD-issued ID badge will be issued at the start of their employment.

Employees may be asked to show their ID badge to any upper management personnel or security team to verify their affiliation and purpose for being at the worksite. The ID badge may be used to access certain secured areas or in an emergency.

Top Flight Distribution employees are required to visibly display their ID badge on their person during working hours. At the end of their work shift, employees must leave their ID badge at the worksite.

Employees who are required to display their ID at the worksite and consistently do not, or who refuse to wear their ID badge may be subject to disciplinary action including termination.

If an employee's ID badge is lost, stolen or damaged, it should be reported immediately to Human Resources, and a replacement obtained. Lost or damaged badges may be subject to disciplinary action.

Upon separation from employment, employees are required to return their ID badge. It is Human Resources' responsibility to ensure the employee's ID badge is returned for destruction before leaving the worksite.

The TFD-issued ID badge is the property of Top Flight Distribution, administered through Human Resources or other designated department and may be revoked at any inappropriate use. The ID badge may be used only by the individual to whom it was issued. Employees may not "loan" their ID badge to anyone for any reason.

### Overtime

Top Flight Distribution's production schedule or business operations may result in individuals or departments working overtime. Top Flight Distribution asks employees to be flexible to the needs of the clients and company operations when asked to work overtime. Employees who are scheduled to work overtime must adhere to their assigned schedule or must notify their manager immediately if they are not able to work the scheduled hours. Top Flight Distribution will attempt to give as much notice as possible of any overtime work requirements.

Employees who wish to work overtime must have their request approved by their manager, in writing, prior to the time they wish to work.

Exempt employees may have to work hours beyond their normal schedules, as work demands require. No overtime compensation will be paid to exempt employees.

### Overtime and Non-Exempt Employees

Non-exempt employees will be paid an hourly wage for all hours worked. Top Flight Distribution provides compensation for all overtime worked by non-exempt employees in accordance with current applicable state and federal law. Only actual hours worked in a given workday or workweek can apply in calculating overtime. All overtime hours must be approved in advance.

All hours worked in excess of over forty (40) hours in one workweek will be treated as overtime. Overtime will be paid to non-exempt employees according to the following guidelines:

Compensation for hours worked in excess of forty (40) hours for the workweek shall be paid at a rate of one-and-one-half (1 and 1/2) times the employee's regular rate of pay. A workday begins at 12:00 AM and ends at 11:59 PM 24 hours later. A workweek begins each Monday at 12:00 AM and ends on the following Sunday at 11:59 PM.

Paid time off (such as vacation and sick time) and holiday pay are not considered in the computation of actual hours worked for the purpose of computing overtime. For example: If an employee works on a Saturday after a holiday, the hours worked on Saturday will be paid at the employee's regular hourly rate, not the overtime rate.

### **Tardiness / Late Days**

All employees of Top Flight Distribution are expected to report to work by their assigned work time each day, unless your work schedule states otherwise. If you are going to be late you must notify your manager one (1) hour before assigned start time that day. Violation of this policy may result in disciplinary action, up to and including termination.

### **No Call/No Show**

Any employee who fails to report for work at their scheduled starting time for three consecutive working days, without giving prior notice to their Manager, will be considered to have voluntarily quit their position with Top Flight Distribution.

### **Voluntary Terminations**

Employees who elect to resign from their job at Top Flight Distribution are asked to provide their manager with two weeks written notice prior to their last day of work.

Top Flight Distribution may, in its sole and absolute discretion, choose to terminate a resigning employee immediately or at any time during their resignation notice period.

### **Involuntary Terminations**

Top Flight Distribution may, in its sole and absolute discretion, choose to terminate an employee with or without cause and with or without prior notice, in accordance with its "at-will" employment policy.

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## **HUMAN RESOURCES ADMINISTRATION**

Employees are encouraged to bring any questions concerning their pay to Human Resources so that any inadvertent error can be corrected. Review the TFD Staff Roster to identify your Human Resources contact person and contact information.

### **Employee Name and Addresses**

Top Flight Distribution is required by law to keep current all employees' names and addresses.

### **Personnel Records**

The Top Flight Distribution maintains a personnel file for each employee. This file includes all information relevant to your employment status with Top Flight

Distribution. The contents of employee files are confidential, and access will be limited to authorized individuals.

You are required to immediately advise Human Resources, in writing, of any change in home address, telephone number, name and tax withholding exemption information. For any change, Human Resources may ask you to complete a Change of Information Form. In addition, you may be required to submit supporting documentation to confirm such change.

All applicants for employment and employees are required to present and permit copying of documentation which verifies identity and authorization to work, as required under federal law.

Current and former employees have the right to inspect and receive a copy of their personnel records within 30 days of a written request. Records at Top Flight Distribution are kept electronically, therefore you may request an appointment to view your personnel file by contacting Human Resources. All reviews of personnel files must be conducted with Human Resources and/or the General Manager at a mutually convenient time.

Efforts are made to protect the privacy of personnel files. Information will be released only in response to a specific authorized request. When Top Flight Distribution is required by law or the legal process to produce records of private information on employees, every reasonable attempt will be made to protect confidential information not relevant to the inquiry.

Quite often, Top Flight Distribution receives telephone inquiries from financial institutions, credit and collection agencies, landlords or prospective employers requesting employment information about current or former employees. All calls for employment verification from these parties will be referred to Human Resources. Top Flight Distribution does not release any information about current and former employees over the phone other than to verify job title and dates of employment. Written requests for other employment information (e.g., salary verification for a bank loan) must be accompanied by an employee's signed authorization.

### **Pay Days**

Paychecks are issued once every two weeks, one week after the close of the payroll period, usually on Fridays. The payroll week begins on Monday at 12:00 AM and ends on the following Sunday at 11:59 PM.

### **Payroll Deductions and Garnishments**

Certain payroll deductions are required by law including Federal and State Income Tax, Social Security Tax (FICA), Medicare Tax, State Disability Insurance, State Unemployment Insurance (SUI) and other deductions required by applicable state or local regulations.

Deductions from employees' paychecks will also be made for voluntary deductions, garnishments, or child support. Top Flight Distribution must honor and fulfill all garnishments and other wage attachment orders as required by law.

Employees are responsible for their own paychecks once paychecks have been released by Top Flight Distribution. Top Flight Distribution will not be responsible for paychecks mailed, upon request of an employee, and not received, or mailed to an address that is no longer valid. If an additional paycheck must be issued, the employee will be responsible for all fees incurred.

Any errors in payroll checks must be reported immediately to Human Resources. Any accidental overpayment of wages are wage advancements and will be reduced from the employee's subsequent earnings. Any questions regarding paychecks should be directed to Human Resources.

At the conclusion of each year, you will receive a W-2 showing your total earnings for the year and the amount of taxes withheld.

### **Direct Deposit**

Top Flight Distribution offers automatic payroll direct deposit for employees who wish to have their pay deposited directly into their personal checking or savings accounts instead of receiving printed paychecks.

To begin automatic payroll direct deposit, employees must complete a Direct Deposit form available from Human Resources and submit either a voided check or bank spec sheet.

To stop automatic payroll deposit once it is begun, employees must provide a written request to Human Resources at least ten (10) days before the pay period for which service should end.

### **Payroll Deduction Individual Retirement Account (IRA)**

All regular employees working more than 30 hours per week, starting on the first day of the month following 180 days of employment, may begin payroll deductions into an IRA (either a Traditional or a Roth IRA) with a financial institution.

Employees may work with Human Resources to accurately document the payroll amount to be deducted into their financial institution. Top Flight Distribution will transmit the employee's authorized deduction to the financial institution.

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## BENEFITS

### Vacation Policy

Top Flight Distribution provides vacation benefits to eligible employees and encourages regular time off to benefit employees' well-being and ability to sustain high levels of performance and productivity. Employees may also occasionally need time away from work to attend to appointments, personal business, observance of religious holidays, or other personal time. Top Flight Distribution offers vacation time to eligible employees for these purposes.

### Requesting Vacation Time

Vacations must be planned and approved in advance. It is the responsibility of any eligible employee who wishes to take vacation time to obtain full approval at least two weeks in advance (more than two weeks' notice is required for vacations longer than two days).

Employees are responsible for submitting a signed and approved Time Away From The Office Form to Human Resources before the requested time off. Failure to obtain approval in advance may result in the request being denied. **Please do not commit to travel plans prior to getting written approval for your requested vacation.** Top Flight Distribution reserves the right to require employees to utilize their accrued vacation or to pay them for accrued vacation when Top Flight Distribution deems necessary.

### Eligibility for Vacation Time

**Regular Full-Time Employee Eligibility:** Upon completion of 90 days of continuous employment, regular full-time employees with up to five (5) years of service at Top Flight Distribution will accrue vacation time at a rate of 3.07 hours per pay period worked. An employee who is scheduled to and does work 40 hours per week will normally accrue 80 hours (10 days) of vacation in one year of continuous employment (however, the first 90 days of employment are considered an eligibility waiting period and vacation time does not accrue during this time).

Regular full-time employees with six (6) or more years of continuous full-time service with Top Flight Distribution will accrue vacation time at a rate of 4.61 hours per pay period worked. An employee who is scheduled to and does work 40 hours per week will normally accrue 120 hours (15 days) of vacation in one year of continuous employment.

**Regular Part-Time Employee Eligibility:** Regular part-time employees who work at least 30 hours every week and have completed 90 days of continuous employment with Top Flight Distribution will be eligible to start accruing vacation time at 50% of the full-time rate based on hours worked per pay period.

Regular part-time employees with six (6) or more years of continuous part-time service will accrue vacation time at 50% of the full-time rate based on hours worked per pay period.

Regular employees who have not yet completed 90 days of continuous employment with Top Flight Distribution, part-time employees who work less than 30 hours per week, temporary employees, contractors, and employees on unpaid leave of absence, inactive status or on lay-off are not eligible to accrue paid vacation time.

### **Vacation Accrual Cap & Policy**

Top Flight Distribution has a Vacation Accrual Cap Policy which provides for a maximum accrual of vacation benefits. The Vacation Accrual Cap is equivalent to one year of the employee's current vacation accrual. Employees will accrue vacation at their current accrual rate until such time that the maximum accrual hours have been reached.

Top Flight Distribution's Vacation Accrual Cap Policy states that when the maximum accrual has been reached, an employee may no longer accrue vacation hours. If the employee reduces his/her balance by using accrued vacation from his or her Vacation bank, then the employee may begin accruing vacation, but only up to the Vacation Accrual Cap.

Accrued but unused vacation hours are carried over to the following year and the vacation hours will continue to accrue up to the Vacation Accrual Cap. Once an employee's vacation balance reaches the Vacation Accrual Cap, further accrual will cease until the employee uses the accrued vacation hours and the balance is less than the Vacation Accrual Cap. Employees are responsible for knowing their accrued vacation time balance and reporting any inconsistencies or errors by periodically checking their accrual balance on their payroll check stubs.

If, at any time, vacation hours balance exceeds your maximum accrual rate (see vacation accrual structure), excess hours will be forfeited.

### **Vacation Accrual Structure**

#### Full-Time, Regular Employee Accrual Cap

<b>Years of FT Service</b>	<b>Vacation Accrual Rate Per Year</b>	<b>Accrual Cap (One Year Accrual rate)</b>
1 to 5	80 hours (10 days)	80 hours (10 days)
6 and over	120 hours (15 days)	120 hours (15 days)

#### Part time (1 to 39 hours/week), Regular Employee Accrual Cap

<b>Years of PT Service</b>	<b>Vacation Accrual Rate Per Year</b>	<b>Accrual Cap (One Year Accrual rate)</b>
1 to 5	40 hours (5 days)	40 hours (5 days)
6 and over	60 hours (7.5 days)	60 hours (7.5 days)

### **Use of Vacation Time**

The following vacation time guidelines apply to all employees eligible for vacation time:

- Pre-approval (at least 2 weeks' notice) is required for taking vacation days.
- Vacations shall be scheduled to provide adequate coverage of job responsibilities and staffing requirements. Management will make final determinations based on operational requirements.
- Vacation time must be taken in increments of no less than 2-hour increments for eligible employees.
- Top Flight Distribution does not grant compensation for any period of time during which the total accrued vacation is at the Vacation Accrual Cap or greater than the total amount allowable. Employees are responsible for tracking their accrued vacation balances.
- Employees must use accrued vacation time instead of going unpaid for any time off, including personal days, vacation days, sick days (if sick time has been exhausted) and leaves of absence as allowable by applicable state and federal laws. However, sick time may not be used for vacations or personal time off.

### **Use of Vacation during Company Shutdown**

In the event Top Flight Distribution ceases operation for a period of time during the year, employees may be required to use accrued vacation during the company shutdown.

### **Sick Time Policy**

Top Flight Distribution recognizes that there may be times when an employee needs to be absent from work for personal or family illness. In order to accommodate this, Top Flight Distribution offers paid sick time to all employees who have completed their 90-day introductory period.

### **Use of Sick Time**

Sick time is to be used only when an employee is actually sick or is required to recover from illness or injury or care for an immediate family member recovering from illness, or specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking; sick time is not for "personal" absences. Time off for medical and dental appointments may also be treated as sick time. Sick leave will not be granted when illness occurs on a scheduled day off, during a vacation, or when absent from work for reasons other than illness.

To be eligible for sick pay, employees must communicate directly to their manager immediately, but no later than one (1) hour before the start of their work shift. If the employee is unable to speak directly to their manager, the employee must leave a voicemail message stating the reason for not reporting to work.

Employees who are out sick should use their time off to rest and should not work from home. Exceptions to this can be made only under special circumstances.

If your absence is to continue for more than one (1) day, you must establish an understanding with your manager. It is your responsibility to report for work at the end of an approved sick leave. Failure to do so will be considered a voluntary termination of employment.

### **Sick Time Eligibility**

New Hires: To qualify for sick time, an employee is required to:

- Work for the Company for at least 30 days within a year in Oklahoma, and
- Satisfy a 90-day introductory period before taking any sick time.

All employees will receive 24 hours (3 days) of sick time upon once both requirements have been met. Every year thereafter, on the first business day of each calendar year, sick time balances will be reset to 24 hours (3 days) of sick time.

Employees on unpaid leave of absence, inactive status or on lay-off are not eligible to receive sick time.

Top Flight Distribution will allow employees to use half of their available sick time to care for a sick child or grandchild, parent or guardian, grandparent, sibling, spouse, or registered domestic partner.

### **Sick Time Accumulation and Pay**

Employees are required to submit a signed approved Time Away From The Office Form to Human Resources within 24 hours of returning to work after taking a sick day so the time away can be tracked accurately through Human Resources.

Sick time will be paid at the eligible employee's base pay rate. Sick time pay does not constitute "hours worked" when computing overtime. At the end of each calendar year, unused sick time may not be carried forward to the following year, as employee sick time balances will be reset to 24 hours (3 days). Top Flight Distribution does not pay employees in lieu of unused sick time. Any unused sick pay will not be paid at the time of termination.

Top Flight Distribution may, at any time, require a physician's certification verifying the existence and duration of the illness and/or medical certification verifying the employee's fitness to return to work before Top Flight Distribution honors any sick pay requests. The medical certification note does not need to specify the nature of your personal or family health issue.

Top Flight Distribution reserves the right to request an examination of an employee by a physician of its choosing and at its expense.

Top Flight Distribution may withhold sick pay if it is suspected that sick time has been misused and/or if a physician's certification is not submitted within 48 hours of the date that the company requested the certification.

## Holidays

Top Flight Distribution observes six company holidays each year. They are:

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day (July 4)	Christmas Day

For business reasons, company holidays may be observed on a date before or after the actual holiday. When a scheduled company holiday falls on either Saturday or Sunday, Top Flight Distribution will determine whether the offices will be closed on Friday or Monday.

Regular non-exempt full-time employees, and regular non-exempt part-time employees who work at least 30 hours per week may be eligible to receive holiday pay for the above company holidays if they are regularly scheduled to work on the day on which the company holiday is observed and are on active payroll status. Eligible employees must work the scheduled day before and the scheduled day after the company holiday to receive holiday pay unless an absence on either day is approved *in advance* by the employee's manager. If a paid company holiday falls during an eligible employee's scheduled vacation, the employee will receive holiday pay for that day.

Holiday pay is paid at each eligible employee's regular base rate of pay. Holiday pay for eligible employees will consist of regularly scheduled work hours up to a maximum of eight hours.

Non-exempt part-time employees who work between 30 and 39 hours per week will receive holiday pay equal to the employee's standard part-time hours on that regularly scheduled workday. If that is not a regularly scheduled workday, no holiday hours will be paid.

Holiday pay does not constitute "hours worked" when computing overtime. Holiday pay will not be paid to any employee who is out on an unpaid leave of absence.

If an eligible employee is scheduled to work on a company holiday and does work his or her scheduled shift on that day, the employee will be paid at the normal straight-time rate for all hours worked within his/her normal schedule, plus holiday pay.

Regular non-exempt part-time employees who work less than 30 hours per week, temporary employees, and employees on unpaid leave of absence or on lay-off are not eligible for holiday pay.

Exempt regular employees will receive holiday pay for the above company holidays if they normally work on the day on which the company holiday is observed and are on active payroll status.

## Military Leave

The Company will comply with any federal or Oklahoma law which requires military leave.

## Bereavement Leave

Regular employees may be granted up to three (3) working days with pay in the event of the death of a parent (in-law), grandparent, spouse, child, sibling, or other person with whom the employee has historically had a significant family-type relationship. Vacation or personal days, if available, may be used for additional mourning time.

Top Flight Distribution may, at any time, require verification of the death of a parent (in-law), grandparent, spouse, child, sibling, or other person with whom the employee has historically had a significant family-type relationship before Top Flight Distribution honors any bereavement pay requests. The verification can be funeral home or church program noting the person's name.

## Jury Duty Leave

An employee who is required to serve on a jury will NOT be compensated for any work days missed while serving jury duty. If you plan on serving jury duty, an employee MUST give the Company advance notice and must submit a jury duty slip documenting the start and end dates of such service. Failure to document time away from the office may be subject to disciplinary action including termination.

## Voting

Employees may receive time off with pay to vote in city, state, or federal elections. Since polling places are generally open before and after work hours, employees are encouraged to vote during those times. If you are unable to vote during those times, you can make arrangements with your immediate manager to take up to two (2) hours with pay to do so during the weekday.

**Lactation Accommodation** Reasonable break time required for nursing mothers will be provided to employees who are lactating, after the birth of a child. Employer will make all reasonable effort to provide the use of a room or other location for the employee to express milk in private. Employer will make every effort to ensure the room or location is in close proximity to the employee's work area, shielded from view, and free from intrusion. The time will be paid only when it coincides with the employee's regular breaks. If additional time is needed, it can be unpaid, but the employee's immediate manager must be notified for need for additional time.

## LEAVES OF ABSENCE

### Medical Disability Leave (Unpaid)

Employees who have been employed with Top Flight Distribution for at least 180 days may request to be considered for a medical disability leave of absence if they become temporarily disabled and unable to work due to a non-work-related medical condition that prevents them from working for five (5) or more consecutive days

but are not eligible for a personal medical leave under the federal Family and Medical Leave Act. Time off taken under this non-paid leave does not count as work time for purposes of FMLA eligibility. Medical disability leaves of absence may be requested only for the actual period of disability or up to 21 calendar days, whichever is shorter. A doctor's written certificate of disability is required for a medical disability leave to be considered.

Employees who wish to request a medical disability leave must submit a Leave of Absence Request form to Human Resources at least two weeks in advance along with a medical certification. Leaves of Absence will not be granted unless the employee obtains written approval prior to the start of the leave.

Requests will be considered based on a number of things, including the reason for the request, length of service, performance and responsibility level, length of expected leave, number of other individuals out on leave, and the expected impact of the leave on the operations of Top Flight Distribution. The decision to approve or deny a leave of absence, as well as the amount of time granted for the leave of absence duration, will be made at the sole discretion of Top Flight Distribution. While leaves of absence require prior management approval in writing, in an emergency, a verbal request can be made to and granted only by the General Manager. Emergency requests must be submitted in writing along with medical certification showing the date of disability within five (5) working days.

Any misrepresentation of leave request or disability or acceptance of other employment while on leave will be grounds for immediate termination. Employees cannot apply for unemployment benefits while on leave of absence.

It is the employee's responsibility to make certain that any and all written verifications by physicians of illness or disability are received by Human Resources. Thus, if anyone other than an employee provides a physician's verification to Human Resources, the employee must contact Human Resources to make sure the verification was received.

Employees will not accrue any benefits, including vacation, sick time or holidays while on leave of absence. An employee will be required to use any accumulated sick time and accrued vacation time during a medical disability leave. Employees are responsible for continuing their portion of their insurance payments while out on leave. Top Flight Distribution will continue to pay for health insurance for employees on leaves of absence up to a maximum of three (3) weeks, providing the employee continues to pay his/her portion of the premium. After that, employees may self-pay premiums under the provisions of COBRA.

An employee returning from a medical disability leave must present a doctor's certificate declaring fitness to return to work. When a definite date of return has been determined, the employee must return to work on the designated date. If an employee's health-care provider determines that an extension of the original agreed upon date of return is necessary, the employee must notify Human Resources not less than four (4) working days prior to the agreed upon date of

return and present to Human Resources a doctor's verification of continued need for leave. If the employee has not requested an extension of the original leave return date or that of any subsequent agreed upon extension and does not return to work on the last agreed upon return date, the employee will be considered to have abandoned his/her job. Top Flight Distribution may require additional verification of the ability to work, including examination by a doctor designated by Top Flight Distribution.

An approved Leave of Absence in no way alters an employee's "at-will" status and does not guarantee in every situation that their prior position, a comparable position, or that any position will be available when the employee is able to return to work. Top Flight Distribution makes no guarantees of reinstatement, and the approval to return to work will depend on the employee's qualifications for job openings existing at the time of their scheduled return, as well as the employee's level of performance prior to the leave of absence. If a reduction in force or other reorganization takes place at Top Flight Distribution while an employee is on leave of absence, the employee will have no greater reinstatement or employment rights than if he/she had been working rather than on leave.

## **WORKERS' COMPENSATION**

### **Coverage**

To provide for payment of your medical expenses and for partial salary continuation in the event of a work-related accident or illness, you are covered by workers' compensation insurance from the first minute that you are on the job. Independent contractors, visitors, volunteers, and temporary employees are generally not covered by the Company's Workers Compensation insurance.

### **Procedures**

If you are injured or become ill on the job, you must immediately report such injury or illness to your direct manager or to Human Resources. This ensures that the Company can assist you in obtaining appropriate medical treatment. Your failure to follow this procedure may result in the appropriate workers' compensation report not being filed in accordance with the law, which may consequently jeopardize your right to benefits in connection with the injury or illness.

### **Claim Form**

You may be asked to complete a Workers Compensation Form upon having an injury on the job. Be sure to only complete the "employee" section, sign, and date the form and provide it to your direct manager immediately. If you are away from the worksite due to the injury, the Workers Compensation Form may be mailed to Human Resources.

If you require medical treatment, you will be sent to either the clinic or hospital listed below. In order to receive prompt attention, you must take a completed Authorization for Medical Treatment form (available from Human Resources) with you to the clinic.

## Medical Facilities

The following clinic provides medical attention for Top Flight Distribution employees in the event of work-related injury or illness:

Norman Regional Moore  
700 S Telephone Rd, Moore, OK 73160  
Monday-Sunday, 24 Hours  
(405)793-9355  
.....

Oklahoma State University Medical Center  
744 W 9th St, Tulsa, OK 74127  
Monday-Sunday, 24 Hours  
(918)599-1000

## RULES OF CONDUCT

The purpose of enforcing the following policy is to ensure the efficient operation of the company for the benefit of the entire staff. Disregard of this policy could result in disciplinary action up to and including immediate termination of employment and/or criminal prosecution where applicable.

It is not intended that this list be exhaustive, but rather, it illustrates examples of some of the behavior for which employees can be disciplined, including immediate discharge. Employees are expected to refrain from all of the following conduct including, but not limited to:

- Conviction of any regulations.
- Repeated or excessive tardiness or absence, even if reported and/or excused.
- Unauthorized departure before the end of the scheduled workday.
- Disregarding safety practices - including horseplay, practical jokes or other activities that could pose a hazard to the safety or welfare of yourself or others.
- Being negligent or careless in performing your assigned duties and responsibilities.
- Incompetent or inefficient performance of assigned duties and responsibilities.
- Conduct that indicates an inattentive or indifferent attitude toward your duties.
- Insubordination or uncooperative conduct, including refusing to follow a manager's request, instruction, or orders, or refusing to abide by any Top Flight Distribution rule or policy.

- Failure or inability to complete given tasks including but not limited to meeting goals or deadlines.
- Interference with the work performance of any employee(s), delaying or otherwise impeding productivity, or influencing or attempting to influence others to so interfere.
- Falsification of reports or records including employment applications, production records, falsifying your own or another employee's time sheet or having another person mark your time sheet, etc.
- Intentionally recording any income, expense, sale or other transaction in order to misrepresent any material facts or achieve some personal gain.
- Perjury
- Immoral behavior, misconduct, harassment, or use of abusive or provocative language while on Top Flight Distribution premises or while engaged in Top Flight Distribution business away from the premises.
- Possession of firearms or other weapons on company premises at any time, or while engaged in business away from Top Flight Distribution premises.
- Any acts or threats of violence, including fighting, threatening, intimidating, or coercing another employee, client, visitor, or any other person who has contact with employees in the course and scope of their duties, or provoking such misconduct.
- Reporting to work in an unfit condition, including being under the influence of intoxicants, for bringing intoxicants onto Top Flight Distribution premises or for possessing or consuming intoxicants, or for appearing intoxicated during working hours whether at Top Flight Distribution or engaged in business off premises. Intoxicants include, but are not limited to, alcoholic beverages, narcotics, barbiturates, amphetamines, and any other controlled substance, other than those taken under the direction and prescription of a licensed physician.
- Abuse, misuse, removal, or deliberate destruction of company property including employee lists, company records, other confidential information, state and federally mandated forms and notices on company property, etc.
- Divulging confidential information pertaining to any of Top Flight Distribution's publications, operations, clients, or employees.
- Theft or misappropriation of company property, unauthorized removal of any property from the Company or the Company's suppliers, or customer premises; theft or unauthorized possession, use or deliberate abuse or destruction of any Top Flight Distribution property or property of another employee, or of the Company's clients, customers, suppliers, or guests. Repair of Top Flight Distribution property or

equipment, which is damaged as a result of negligent or willful abuse or destruction, shall be at the expense of the person or persons responsible for the damage. Refer to Electronic Resources Tool Agreement and/or Office Property Agreement for fees assessed.

Engaging in conduct at any time and any place that could reflect negatively upon Top Flight Distribution or impair Top Flight Distribution's reputation.

Violation of any Company policy including those included in the Employee Handbook.

It is impossible to define rules for every conceivable situation that might arise. Activities which are not expressly covered in these rules will be handled on a case-by-case basis. All employees are expected to act with good common sense and in a totally professional matter.

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## **PROBLEM SOLVING**

We encourage staff members to speak with their managers regarding problems and/or rumors. If you have a problem, speak to your immediate manager. If you feel you cannot discuss or resolve a problem with your immediate manager or if the problem involves your immediate manager, please speak with the General Manager. Your General Manager has the authority to take action in most cases and you can expect the General Manager to look objectively at the situation and see that a fair solution is reached.

If you feel you cannot discuss or resolve a problem with your immediate manager or the General Manager, please see Human Resources.

These problem-solving steps can be utilized without fear of retaliation or retribution.

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## **HARASSMENT FREE WORKPLACE POLICY**

### **Discrimination, Harassment & Retaliation Prevention**

Top Flight Distribution does not tolerate and prohibits discrimination or harassment of or against our job applicants, contractors, interns, volunteers, or employees by another employee, manager, vendor, customer, or any third party on the basis of sex; gender; gender identity; gender expression; race; color; religious creed (including religious dress and grooming practices); religion; age (40 years and older); national origin; ancestry; citizenship; mental or physical disability; pregnancy, breastfeeding, childbirth and related medical conditions; marital status; sexual orientation; veteran and/or military status; medical condition as defined by state law (including cancer and genetic information/characteristics); status as a

SoonerCare recipient; domestic violence victim status; political affiliation; or any other basis protected by applicable federal, state, or local laws and ordinances (referred to as "protected characteristics"). The Company also prohibits retaliation as defined below.

Top Flight Distribution is committed to a workplace free of discrimination, harassment, and retaliation. These behaviors are unacceptable in the workplace and in any work-related settings such as business trips and Company sponsored social functions, regardless of whether the conduct is engaged in by a manager, co-worker, client, customer, vendor or other third party. In addition to being a violation of this policy, discrimination, harassment, or retaliation based on any protected characteristic pursuant to applicable federal, state, or local laws and ordinances also is unlawful. For example, sexual harassment and retaliation against an individual because the individual filed a complaint of sexual harassment or because an individual aided, assisted or testified in an investigation or proceeding involving a complaint of sexual harassment are unlawful.

**Discrimination Defined.** As used in this policy, discrimination is defined as the unequal treatment of an employee or applicant in any aspect of employment, including discrimination based solely or in part on the employee's, or applicant's, protected category. Discrimination includes unequal treatment based upon the employee or applicant's association with a member of these protected classes.

Discrimination may include, but is not necessarily limited to: hostile, abusive or demeaning behavior towards applicants or employees because of their protected category; allowing the applicant's or employee's protected category to be a factor in hiring, promotion, compensation or other employment related decisions unless otherwise permitted by applicable law (for example veterans preference as permitted under Government Code 18973.1), and providing unwarranted assistance or withholding work-related assistance, cooperation, and/or information to applicants or employees because of their protected category.

**Harassment Defined.** Harassment generally is defined in this policy as disrespectful, unwelcome, or abusive verbal, visual or physical conduct that denigrates or shows hostility or aversion towards an individual because of any protected characteristic when:

- Submission to that conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submission to or rejection of the conduct by an individual is used as the basis for employment decisions affecting the individual; or
- The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Harassment can be verbal (including slurs, jokes, insults, epithets, gestures, or teasing), visual (including offensive posters, symbols, cartoons, drawings, computer displays, text messages, social media posts or e-mails) or physical conduct

(including physically threatening another, blocking someone's way, etc.). Such conduct violates this policy, even if it is not unlawful. Because it is difficult to define unlawful harassment, employees are expected to behave at all times in a manner consistent with the intended purpose of this policy.

**Sexual Harassment Defined.** Sexual harassment can include all of the above actions, as well as other unwelcome conduct, such as unwelcome or unsolicited sexual advances, requests for sexual favors, conversations regarding sexual activities and other verbal or physical conduct of a sexual nature when:

- Submission to that conduct or those advances, or requests is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submission to or rejection of the conduct or advances or requests by an individual is used as the basis for employment decisions affecting the individual; or
- The conduct or advances or requests have the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Examples of conduct that violates this policy include:

- unwelcome sexual advances, flirtations, advances, leering, whistling, touching, pinching, assault, blocking normal movement;
- requests for sexual favors or demands for sexual favors in exchange for favorable treatment;
- obscene or vulgar gestures, posters, or comments;
- sexual jokes or comments about a person's body, sexual prowess, or sexual deficiencies;
- propositions, or suggestive or insulting comments of a sexual nature;
- derogatory cartoons, posters, and drawings;
- sexually-explicit e-mails or voicemails;
- uninvited touching of a sexual nature;
- unwelcome sexually-related comments;
- conversation about one's own or someone else's sex life;
- conduct or comments consistently targeted at only one gender, even if the content is not sexual;
- teasing or other conduct directed toward a person because of the person's gender.

**Retaliation Defined.** Retaliation means adverse conduct taken because an individual reported an actual or perceived violation of this policy, opposed practices prohibited by this policy, or participated in the reporting and investigation process described below. "Adverse conduct" includes but is not limited to: any action that would discourage an employee from reporting discrimination, harassment or retaliation; shunning and avoiding an individual who reports discrimination, harassment or retaliation; express or implied threats or intimidation intended to prevent an individual from reporting discrimination, harassment or retaliation; and denying employment benefits because an applicant or employee reported discrimination, harassment or retaliation or participated in the reporting and

investigation process described below.

**Reporting Procedures.** The following steps have been put into place to ensure the work environment at the Company is respectful, professional, and free of discrimination, harassment, and retaliation. If an employee believes someone has violated this policy or our Equal Employment Opportunity Policy, the employee should promptly bring the matter to the immediate attention of their manager or Human Resources. If either of these individuals is the person toward whom the complaint is directed, you should contact any higher-level manager in your reporting chain. If the employee makes a complaint under this policy and has not received a satisfactory response within five (5) business days, the employee should contact Human Resources or the General Manager immediately.

Every manager who learns of any employee's concern about conduct in violation of this policy or our Equal Employment Opportunity Policy, whether in a formal complaint or informally, or who otherwise is aware of conduct in violation of this policy must immediately report the issues raised to Human Resources or to the General Manager.

**Investigation Procedures.** Upon receiving a complaint, the Company will promptly conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of this policy or our Equal Employment Opportunity policy to ensure due process for all parties. To the extent possible, the Company will endeavor to keep the reporting employee's concerns confidential. However, complete confidentiality may not be possible in all circumstances. Employees are required to cooperate in all investigations conducted pursuant to this policy.

During the investigation, the Company generally will interview the complainant and the accused, conduct further interviews as necessary and review any relevant documents or other information. Upon completion of the investigation, the Company will determine whether this policy or our Equal Employment Opportunity policy has been violated based upon its reasonable evaluation of the information gathered during the investigation. The Company will inform the complainant and the accused of the results of the investigation.

The Company will take corrective measures against any person who it finds to have engaged in conduct in violation of this policy, if the Company determines such measures are necessary. These measures may include, but are not limited to, counseling, suspension, or immediate termination. Anyone, regardless of position or title, whom the Company determines has engaged in conduct that violates this policy or our Equal Employment Opportunity policy will be subject to discipline, up to and including termination. This includes individuals engaging in discrimination, harassment, or retaliation, as well as managers who fail to report violations of this policy, or knowingly allow prohibited conduct to continue. Individuals who engage in conduct that rises to the level of a violation of law can be held personally liable for such conduct.

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Remember, we cannot remedy claimed discrimination, harassment, or retaliation unless you bring these claims to the attention of management. Please report any conduct which you believe violates this policy or our Equal Employment Opportunity policy.

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## DRUG AND ALCOHOL POLICY

Top Flight Distribution is committed to ensuring a substance-free working environment for all of its employees and has established a policy that strictly prohibits the illicit use of, possession of and/or being under the influence of any illegal drug, intoxicant (including alcohol), or controlled substance (other than those taken under the direction and prescription of a licensed physician) while on duty, while on Company premises, while operating Company equipment, while driving any vehicle (including their own) on Company business, or during any work period, including meal and rest breaks.

In addition, Top Flight Distribution strictly prohibits any prescription drugs or over-the-counter medications that are not used in accordance with product and/or physician instructions, or pursuant to a valid prescription. Any restrictions that are placed on the employee by a physician regarding prescription use (including any driving restrictions) must be strictly adhered to by the employee.

Violation of this policy may result in immediate termination.

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## MISCELLANEOUS COMPANY POLICIES

1. Top Flight Distribution does *not* have an "open" office and we need to restrict our space to authorized visitors only. All business-related visitors must wait in the reception area until the person they came to see meets them. Family and friends meeting you after work must wait outside. Only authorized staff members are allowed in the production area.

2. The manufacturing and production equipment, printers and copy machines are to be used for Top Flight Distribution business only. Personal business, such as paying bills, surfing the internet, or scrolling through social media networks including such work done over the phone, is not permitted in the Top Flight Distribution offices.

4. Outside employment must be approved by the General Manager and disclosed to the rest of management.

5. Vendors and suppliers visit our offices. Please remember that friendly appropriately attired people make a good impression. Staff should be in business or business casual attire with the exception of the Production staff, who are required

to wear the appropriate personal preventative equipment (i.e. aprons, smocks, caps, nets, gloves, etc.).

6. Please keep your work area clean and free of accumulated trash. Please keep personal art tasteful and below cubicle divider level. Check with your manager before modifying the existing interior decoration.

7. Please use Top Flight Distribution logo and/or stationary for business purposes only. Legally, the company could run into legal problems if you use the logo and/or stationary for other purposes.

8. Smoking is not permitted by anyone anywhere in our offices at any time or within 25 feet of any entrance.

9. Paydays are usually every other Friday for the two-week period ending on the preceding Sunday.

10. Our office is open from 9:00 am to 6:00 pm Monday through Friday. Your workday may or may not fall within these hours depending on the needs of your department. Questions about hours, breaks or overtime are outlined in this handbook.

## **SOCIAL MEDIA POLICY**

Top Flight Distribution values your right to engage in self-expression through social media platforms, which includes all means of communicating or posting information or content of any sort on the internet, including your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website such as Twitter, Facebook, Instagram, etc., web bulletin board or chat room, whether associated or affiliated with Top Flight Distribution, as well as any other form of electronic communication. To protect the Company's interests and ensure employees focus on their job duties, please follow the below practices:

- Be respectful of your potential readers and colleagues at Top Flight Distribution. Do not use discriminatory comments, or make maliciously false statements about Top Flight Distribution, its employees, third parties, customers, partners, or competitors on social media.
- Be cautious of what information you share. All rules regarding confidential and proprietary business information apply in full to social media. Any information that cannot be shared through a conversation, a note or an e-mail should not be disclosed through social media. If you are unsure, contact the General Manager.
- In many cases (for example, on LinkedIn), Top Flight Distribution's name or logo may appear next to your post because the employer's name is always associated with the individual. If you would like to publish content on Top Flight Distribution's behalf on a social media platform where Top Flight

Distribution's name or logo will be associated with the content or if it can be inferred that you are an employee of Top Flight Distribution, please contact the General Manager.

- Respect other people's privacy and intellectual property. Never share confidential information or individually identifiable personal information of another employee, customer, or investor.
- Do not use Company logos or trademarks for commercial purposes without consent.
- Be truthful, fair, and accurate when sharing information regarding Top Flight Distribution and its products or services and your role in the Company. Check with the General Manager to ensure you are sharing public-approved information.
- Be prepared to take responsibility for everything you share and say online.
- Any conduct which is impermissible under the law if expressed in any other form or forum is impermissible if expressed through social media. For example, posted material that is discriminatory, obscene, defamatory, libelous, or threatening is forbidden.

Company principles, guidelines, and policies apply to online activities just as they apply to other areas of work. Ultimately, you are solely responsible for what you communicate in social media. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any customer, manager, owner, or employees of the Company. Employees should review this handbook in its entirety for further guidance.

We encourage you to participate in social media. Top Flight Distribution also encourages all employees to keep in mind the speed and manner in which information posted through social media can be relayed and often misunderstood by readers. Employees must use their best judgment. Employees with any questions should review the guidelines above or consult with their manager. **When in doubt, don't post!**

Failure to follow these guidelines may result in discipline, up to and including termination. In enforcing this policy, the Company reserves the right to monitor social media activities of employees, whether or not such activities are conducted with Company resources, to the extent permitted and in accordance with applicable law.

Nothing in this policy is designed to interfere with, restrain or prevent employee communications regarding wages, hours or other terms and conditions of employment.

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## EMPLOYEES WHO DRIVE FOR COMPANY BUSINESS

Top Flight Distribution is committed to ensuring that employees who have driving responsibilities do not place Top Flight Distribution, clients, Top Flight Distribution employees or members of the general public at risk. You must follow these conditions, along with conditions outlined in Top Flight Distribution's Driving Policy.

As a condition of employment and continued employment, Top Flight Distribution requires all employees who drive on company business to:

- Maintain a current, valid state driver's license.
- Maintain current, state required, minimum automotive insurance coverage.
- Maintain safe driving habits.
- Inform Top Flight Distribution within 24 hours if your driver's license has been suspended, revoked or if the employee's liability insurance has been cancelled or modified in any manner.
- Operate motor vehicles in a safe and reasonable manner that conforms to all applicable traffic and safety laws.
- Upon request during your employment, you are to furnish a copy of your driving record from the Department of Public Safety (DPS). Updates of DPS status may be requested at any time.
- Upon an investigation for any violation, complaints, theft, stolen or unaccounted for property, you agree to be interviewed by local authorities, General Manager and/or Human Resources, to which the interview may be recorded and/or video for record.

Employees are not permitted to engage in personal activities or consume any kind of intoxicant while driving their own or any other vehicle on company business. Employees are not permitted to allow persons who are not Top Flight Distribution employees to ride along in their own or any other vehicle while conducting Top Flight Distribution business.

Top Flight Distribution retains the right to transfer employees to an alternative position, suspend or terminate any employee who fails to maintain a safe driving record, whose license is revoked, who fails to maintain personal automobile insurance coverage at required limits, who is uninsurable under Top Flight Distribution's policy, or who fails to adhere to any part of Top Flight Distribution's policy on driving. Employees who fail to comply with any of these requirements will be subject to disciplinary action, up to and including immediate termination.

### Liability

Employees need to understand that any damages resulting from an accident involving an Top Flight Distribution employee driving his or her own vehicle on company business are paid by the employee's own personal insurance.

### **Use of Cell Phone while Driving**

Employees are expected to refrain from using their phone while driving unless a hands-free device is used. Safety must come first before all other concerns.

Regardless of the circumstances, including slow or stopped traffic, all employees using any texting device must pull off to the side of the road and safely stop the vehicle before using the device. Special care should be taken in situations where there is traffic, inclement weather, or the employee is driving in an unfamiliar area.

### **Damage**

It is advisable for employees to always lock their vehicle and take all reasonable precautions to safeguard their property. Top Flight Distribution assumes no responsibility for damage to vehicles or for loss of personal property while on Top Flight Distribution premises or while conducting Top Flight Distribution business.

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## **ACCEPTANCE OF OUTSIDE GIFTS**

Top Flight Distribution may receive "trade", gifts, or gratuities from clients, customers, vendors, suppliers, or other persons doing business with Top Flight Distribution that may or may not have cash value. All "trade", gifts, and gratuities are Top Flight Distribution property and must be submitted immediately to the General Manager.

No employee may accept a gift, gratuity or "trade" for personal use or consumption from any customer, vendor, supplier, or other person doing business with Top Flight Distribution because doing so may give the appearance of influencing business decisions, transactions, or service. Employees should never ask for such favors from the general public or clients, as they may develop into a conflict of interest or quid pro quo. Please discuss expenses paid by such persons for business meals or trips with the General Manager in advance.

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## **USE OF ELECTRONIC MEDIA POLICY**

Top Flight Distribution endeavors to provide its employees current technology tools with which to conduct Top Flight Distribution business. Use of Top Flight Distribution's systems is a privilege that automatically terminates when employees leave the organization. Please read this policy thoroughly. Use of Top Flight Distribution systems by employees constitutes acceptance and agreement to follow the policy.

Employees should have no expectation of privacy in using Top Flight Distribution's computer, voicemail or e-mail systems or any other electronic media, or have any expectation that any information transmitted, received, stored, or deleted from these systems is private. All messages sent, received, or stored on these systems are Top Flight Distribution's property. Top Flight Distribution specifically reserves the right to review and monitor e-mail and Internet use to prevent abuses and for business purposes. Deleted messages may be retrieved from the back-up system. Employee passwords do not ensure that the messages sent, received, or stored on these systems are private. Authorized employees may need to view an employee's e-mail (or content of other electronic tools) for legitimate business purposes, and others may inadvertently view e-mail messages. Computer systems will be monitored for various purposes, including but not limited to computer viruses, unauthorized usage, inappropriate web sites being visited and unauthorized software.

Top Flight Distribution may periodically need to assign and/or change passwords and personal codes for voice mail, e-mail, and computer, with or without notice to employees.

Passwords are intended to prevent unauthorized access to information and do not confer any right of privacy upon any employee of the Company. Employees must not expect that any information maintained on electronic resources tools, including electronic mail and voicemail messages, are private. Employees are expected to maintain their passwords as confidential, must not share passwords, and must not access coworker's systems without express authorization.

All Top Flight Distribution business conducted via e-mail must only be conducted through the use of an Top Flight Distribution e-mail account. No personal e-mail accounts may be used to conduct Top Flight Distribution business. All work products must be stored in the appropriate manner as outlined by Top Flight Distribution's guidelines.

Deleting or erasing information, documents, or messages maintained on the Company's Electronic Resources Tools is, in most cases, ineffective. All employees should understand that any information kept on the Company's technology resources could possibly be electronically recalled or recreated regardless of whether it may be deleted or erased. Employees who delete or erase information or messages should not assume that such information or messages were or are confidential.

Due to potential risk of virus infection, software incompatibilities and reduced employee productivity, Top Flight Distribution prohibits any staff member from installing any software application onto company owned computer, laptops, tablets, or cell phones without prior approval from Human Resources or the General Manager. This includes software downloads retrieved via the internet as well as software found on external media drives.

Top Flight Distribution's computer, voicemail, telephone, and e-mail systems are a company asset which must be used primarily for legitimate business purposes. They may be used for personal use under limited circumstances (except as prohibited by this policy). Such use:

1. Must be limited and not affect work performance and normal business activities;
2. Must not directly or indirectly interfere with the company's operation of electronic communications resources;
3. Must not compromise the security or reputation of our company or personnel;  
and
4. Must not burden the company with noticeable incremental costs.

Employees may not use Top Flight Distribution's computer, voicemail, telephone, and e-mail systems for personal use that interferes with an employee's work performance, requires substantial expenditures of time, uses for profit or uses that would otherwise violate company policy with regard to employee time commitments or company equipment. Personal telephone calls should be limited to local calls and to break or meal periods unless it's a personal emergency. Use of all Top Flight Distribution equipment is a privilege and should not be abused.

The following activities are not permitted:

- Downloading, installation or removal of any software programs or games to your computer without express and direct approval of the General Manager;
- Listening to internet radio, which uses a large amount of bandwidth;
- Opening up unknown email attachments which often contain viruses;
- Replying to spam, which puts our email addresses at risk for more spam;
- Non business-related internet surfing;
- Leaving computer programs open overnight;
- Burning of CDs, DVDs or similar media for personal use.

This policy expressly prohibits the use of Top Flight Distribution systems for inappropriate and illegal purposes including but not limited to:

- Using someone's password or code without authorization.
- Disclosing anyone's password or code including the employee's own without authorization.
- Damaging, altering, or disrupting any remote system in any way.
- Viewing (via Internet, or any other method) or distributing sexually explicit materials including, but not limited to images, comments, or jokes.
- Solicitations/Messages for non-Top Flight Distribution private business.
- Political causes/activities.

- Disclosing confidential or proprietary information, or otherwise violating Top Flight Distribution’s Confidentiality and Non-Disclosure Policy.
- Moonlighting or personal job searches.
- Any e-mail message, any Internet site or screen saver (including wallpaper) that any reasonable person would find to be defamatory, offensive, harassing, derogatory or disruptive.
- Any message, comments, or images (including screen savers and wallpaper) that could offend on the basis of race, gender, national origin, sexual orientation, religion, age, political beliefs or disability.
- Any message or comment containing disparaging remarks concerning employees, clients, competitors, prospects, or vendors.
- Use of the Internet or E-mail system for gambling.
- Introduction of any Virus into Top Flight Distribution systems, failure to immediately report any Virus detected to the IT department and disabling of Anti-Virus software provided.
- Downloading or storage of files for which Top Flight Distribution does not have specific copyright permission is prohibited. For example, MP3 audio or video files
- Any purpose that is unlawful

Improper use of any of Top Flight Distribution’s electronic tools including use of the Internet and E-mail is not acceptable and will not be permitted. Failure to comply with the Top Flight Distribution electronic policy may result in disciplinary action, up to and including termination.

Questions concerning proper judgment in the use of Top Flight Distribution’s electronic communication resources can be addressed to Human Resources.

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## OUR EXPECTATIONS

**We expect our employees to:**  
**Contribute ideas toward improving our Brand and customer relations.**  
**Use common sense when interacting with other employees and customers.**

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## CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT

As a condition of employment, all employees expressly agree to keep all proprietary, confidential and/or sensitive information and documents of Top Flight Distribution in the strictest confidence at all times, both during and subsequent to your term of employment with Top Flight Distribution, and will not, at any time, or in any manner, unless specifically consented to in writing by the Chief Executive Officer of Top Flight Distribution, divulge, disclose or communicate to any person, firm or corporation, in any manner whatsoever, any confidential information of any kind, nature or description concerning any matters affecting or relating to the business of Top Flight Distribution.

Such proprietary, confidential and/or sensitive information includes, but is not limited to: customer lists, employee names, product rates, formulas and calculations, sales strategies, the names, buying habits or practices of any customers, marketing methods and related data, the names of any vendors or suppliers, cost of materials, the prices obtained at which Top Flight Distribution sells or has sold products, services, manufacturing and sales costs, delivery lists or other written records used in Top Flight Distribution's business, compensation paid to employees, and other terms of employment, financial information, or any other confidential information of, about, or concerning the business of Top Flight Distribution, its manner of operation or other confidential data of any kind, nature or description. The term "documents" is to be construed in the broadest possible meaning, and includes, but is not limited to, letters, memos, invoices, bids, agreements, spreadsheets, business and marketing plans, financial statements, and other financial documents, whether on paper, computer files or any other format.

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## RECEIPT OF HANDBOOK (Employee Copy)

***Duplicate provided for Reference Only – Signed Receipt on File with HR***

I acknowledge that I have received a copy of the Top Flight Distribution employee handbook. I understand and agree that it is my responsibility to read this handbook carefully and familiarize myself with the policies and procedures contained in the handbook within five (5) days of receiving it. I agree that this handbook supersedes in all respects any prior handbook, policy manual, general company work rules, benefits, or practices of Top Flight Distribution, and that it may be updated at any time.

I understand and agree that the most current version of the handbook is in the office of Human Resources representative or at the company employee/HR webpage, that it is my responsibility to abide by the most current version of the handbook, and that it is my responsibility to read the most current version of the handbook whenever I am notified that it has been updated or changed. I understand and agree that the most current version of the handbook is the only valid version of the handbook and that it supersedes in all respects any prior version of the handbook, including the one I have received today.

I further agree that as a condition of employment, I will abide by all of the policies, rules, safety rules and regulations of Top Flight Distribution including those contained in this handbook.

I understand that except for employment "at-will" status, any and all policies or practices can be changed at any time by Top Flight Distribution. Top Flight Distribution reserves the right to change my terms and conditions of employment, with or without cause and with or without notice, including but not limited to termination, demotion, promotion, transfer, hours, duties, location of work, wages or other compensation, benefits and working conditions at any time.

I understand and agree that nothing in the employee handbook creates or is intended to create a promise or representation of continued employment and that employment at Top Flight Distribution is employment "at-will"; this means that my employment may be terminated at any time, with or without cause and with or without notice, either by myself or by Top Flight Distribution. My signature below certifies that I understand that the foregoing agreement on "at-will" status is the sole and entire agreement between the company and myself concerning the duration of my employment and the circumstances under which my employment may be changed or terminated. It supersedes all prior agreements, understanding and representations concerning my employment with Top Flight Distribution.

I acknowledge that I have received, read, and understand the Top Flight Distribution policy on Discrimination, Harassment and Retaliation Prevention. I agree to abide by and be bound by the rules, provisions and standards set forth in the Company's policy. I further acknowledge that the Company reserves the right to revise, delete, and add to the provisions of the Discrimination, Harassment and Retaliation Prevention policy at any time.

\_\_\_\_\_  
Employee's Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee's Printed Name

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## RECEIPT OF HANDBOOK (Company Copy)

***Return this Copy to Human Resources***

I acknowledge that I have received a copy of the Top Flight Distribution employee handbook. I understand and agree that it is my responsibility to read this handbook carefully and familiarize myself with the policies and procedures contained in the handbook within five (5) days of receiving it. I agree that this handbook supersedes in all respects any prior handbook, policy manual, general company work rules, benefits, or practices of Top Flight Distribution, and that it may be updated at any time.

I understand and agree that the most current version of the handbook is in the office of Human Resources representative or at the company employee/HR webpage, that it is my responsibility to abide by the most current version of the handbook, and that it is my responsibility to read the most current version of the handbook whenever I am notified that it has been updated or changed. I understand and agree that the most current version of the handbook is the only valid version of the handbook and that it supersedes in all respects any prior version of the handbook, including the one I have received today.

I further agree that as a condition of employment, I will abide by all of the policies, rules, safety rules and regulations of Top Flight Distribution including those contained in this handbook.

I understand that except for employment "at-will" status, any and all policies or practices can be changed at any time by Top Flight Distribution. Top Flight Distribution reserves the right to change my terms and conditions of employment, with or without cause and with or without notice, including but not limited to termination, demotion, promotion, transfer, hours, duties, location of work, wages or other compensation, benefits and working conditions at any time.

I understand and agree that nothing in the employee handbook creates or is intended to create a promise or representation of continued employment and that employment at Top Flight Distribution is employment "at-will"; this means that my employment may be terminated at any time, with or without cause and with or without notice, either by myself or by Top Flight Distribution. My signature below certifies that I understand that the foregoing agreement on "at-will" status is the sole and entire agreement between the company and myself concerning the duration of my employment and the circumstances under which my employment may be changed or terminated. It supersedes all prior agreements, understanding and representations concerning my employment with Top Flight Distribution.

I acknowledge that I have received, read, and understand the Top Flight Distribution policy on Discrimination, Harassment and Retaliation Prevention. I agree to abide by and be bound by the rules, provisions and standards set forth in the Company's policy. I further acknowledge that the Company reserves the right to revise, delete, and add to the provisions of the Discrimination, Harassment and Retaliation Prevention policy at any time.

\_\_\_\_\_  
Employee's Signature

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee's Printed Name