

RK LOGISTICS GROUP, INC. EMPLOYEE HANDBOOK

Your Experience Starts Here!



Mission Statement

RK Group is committed to being the 'best choice' logistics partner for Silicon Valley and the greater Northern California community.

We provide complex inventory management and manufacturing logistics solutions, so our customers can focus on core business growth and optimization.

Quality Policy

RK Group values People and Quality:

We continually develop our employees and eliminate defects from our processes and performance. Our culture demands that we first understand and then exceed our customers' requirements and expectations.

Core Values

We, the employees of RK Group, make a personal commitment to the success of our customers and our company through the daily demonstration of our Core Values:

- | | |
|----------------------|---|
| Safety: | We hold paramount the culture of Safety in our workplace, our services, and ourselves. |
| Integrity: | We uphold Integrity by doing the right things, for the right reasons. |
| Quality: | We are Quality driven and continually eliminate defects from our processes and performance. |
| Productivity: | We achieve effective results with efficiency. |
| Flexibility: | We quickly embrace change and adapt to new customer requirements. |

Company Website: www.rklogisticsgroup.com

Company Corporate address: 41707 Christy Street, Fremont, CA 94538
Mailing Address: P.O. Box 610670, San Jose, CA 95161-0670

Welcome to RK Logistics Group

“Where Ohana Means Success”

‘Ohana’ is a Hawaiian word that means ‘family’. From our founding in 1983, the Kalune family and leadership team at RK Logistics Group have instilled ‘Ohana’ values into the culture of the company.

In business this concept means that we are bound together in common purpose, in service for customers and in support of each other in all our work here at RK.

With that commitment, we believe that success as a company follows.

At RK Logistics Group, our employees are the company’s most valuable asset. Our door is always open, whether you’d like to just say ‘Hello,’ or discuss an issue or share an idea.

WELCOME to our company. We look forward to working with you!

From Rod Kalune and the Executive Management Team

TABLE OF CONTENTS

THE COMPANY.....	1
INTRODUCTORY STATEMENT	1
THE COMPANY HISTORY; MISSION STATEMENT; QUALITY POLICY & CORE VALUES.	1
EQUAL OPPORTUNITY EMPLOYMENT	2
AT-WILL EMPLOYMENT	2
POLICY AGAINST HARASSMENT AND RETALIATION.....	2
DISPUTE RESOLUTION POLICY	4
PAY AND PROGRESS.....	4
INTRODUCTORY PERIOD	4
EMPLOYEE CATEGORIES	4
BUSINESS HOURS / WORK SCHEDULES	5
TIME KEEPING REQUIREMENTS	5
PAYMENT OF WAGES	6
OVERTIME	6
ON CALL POLICY	6
MEAL AND REST BREAKS	7
LACTATION ACCOMMODATIONS.....	7
PAY DEDUCTIONS.....	7
REIMBURSEMENTS.....	8
EMPLOYMENT BENEFITS.....	8
PAID TIME OFF (“PTO”)	8
PAID SICK TIME	10
PAID VACATION TIME	10
PAID SICK TIME	12
COMPANY HOLIDAYS	12
RELIGIOUS HOLIDAYS	13
FAMILY CARE, MEDICAL, AND PREGNANCY LEAVE	13
PAID FAMILY LEAVE.....	21
BEREAVEMENT LEAVE	21
JURY DUTY AND WITNESS LEAVE	21
EMERGENCY DUTY AS A VOLUNTEER FIREFIGHTER, RESERVE POLICE OFFICER, OR EMERGENCY RESCUE PERSONNEL.....	22

VOTING LEAVE	22
SCHOOL VISITATION	22
TEMPORARY MILITARY LEAVE	22
MILITARY SPOUSE LEAVE.....	23
DOMESTIC VIOLENCE LEAVE	24
LEAVE FOR ORGAN AND BONE MARROW DONATION.....	24
VICTIMS OF CRIME LEAVE	24
DRUG AND/OR ALCOHOL REHABILITATION	25
LITERACY ASSISTANCE	25
EXPECTATIONS OF THE JOB	25
STANDARDS OF CONDUCT.....	25
PERSONNEL RECORDS/DATA CHANGES.....	25
EMPLOYMENT VERIFICATION – REFERENCES.....	26
CONFIDENTIAL INFORMATION	26
OUTSIDE EMPLOYMENT.....	26
INSPECTION OF WORKSTATIONS AND PERSONAL BELONGINGS.....	26
USE OF COMPANY TELEPHONES AND PERSONAL PHONES.....	26
USE OF COMPANY PROPERTY AND EQUIPMENT	27
USE OF COMPANY VEHICLES.....	28
COMPUTER, ELECTRONIC MEDIA, AND EMAIL USAGE POLICY.....	29
SOCIAL MEDIA.....	29
ATTENDANCE AND PUNCTUALITY	32
FAILURE TO REPORT – VOLUNTARY TERMINATION.....	33
PERFORMANCE EVALUATIONS.....	33
DRESS AND GROOMING STANDARDS.....	33
SOLICITATION AND DISTRIBUTION	34
CONFLICTS OF INTEREST.....	34
WORKPLACE SAFETY	35
SAFETY AND HEALTH.....	35
IN AN EMERGENCY.....	36
WORKPLACE ENVIRONMENT – PERSONAL HYGIENE AND CLEAN WORK AREAS	36
WORKPLACE ENVIRONMENT – PARKING AND VISITORS.....	36
VIOLENCE PREVENTION	37

SMOKING IN THE WORKPLACE	37
DRUGS AND ALCOHOL POLICY	38
MEDICAL EXAMINATIONS.....	38
WORKER'S COMPENSATION CLAIMS	38
TERMINATION	39
SEPARATION	39
SEPARATION PROCEDURES	39

THE COMPANY

INTRODUCTORY STATEMENT

Welcome! Whether you have just joined our company or have been at The RK Logistics Group, Inc. (the “Company” or “RK Group”) for a while, we are confident that you will find our company to be a dynamic and rewarding place in which to work, and we look forward to a productive and successful association. This employee handbook (the “Handbook”) has been written and recently updated, to serve as the guide for the employer/employee relationship.

Upon hire you will go through a new hire orientation with the Company’s Human Resources Department (“HR”). In that meeting you will learn about the contents of this handbook and your upcoming experience at the Company. You will also receive a safety orientation to align you with our safety rules and standards. Employees are required to read, understand, and follow the provisions of this Handbook. If you have questions about any of the policies, please feel free to contact your supervisor or Human Resources, as no employee handbook can anticipate every situation or answer every question about employment.

This Handbook replaces all earlier versions. This Handbook is not an employment contract or a legal document. The Company reserves the right to revise or change its policies and benefits described in the Handbook without notice and whenever the Company determines that such action is warranted, with the exception of the policy of at-will employment and policies compelled by law. The Company’s policy of at-will employment can only be modified in writing and signed by the Company’s President.

Violation of any Company policy, including those policies not stated in this Handbook, may lead to discipline, up to and including termination of employment.

THE COMPANY HISTORY; MISSION STATEMENT; QUALITY POLICY & CORE VALUES

RK Group History

- Established in 1983 as RK Distribution
- Privately Owned
- 2001 – Changes name to RK Logistics Group
- 2011 – Recognized by Santa Clara County, 2011 Employer of the year
- 2013 – Recognized by Mayor of Livermore as one of “Top Employers” for City of Livermore
- 2014 – Rebranding Efforts: New Logo, Website
- Active Member of the Council of Supply-chain Management Professionals (CSCMP), Eastbay Advanced Manufacturing Partnership, Warehouse Education Resource Council(WERC)
- Active supporter of Northern CA Special Olympics and San Jose Crime Stoppers
- Certified Minority Business Enterprise

Mission Statement

The Company is committed to being the “best choice” logistics partner for Silicon Valley and the greater Northern California community. We provide complex inventory management and manufacturing logistics solutions so that our customers can focus on core business growth and optimization.

Quality Policy

The Company Values People and Quality:

- Our culture demands that we first understand and then exceed our customers' requirements and expectations.
- We continually develop our employees and eliminate defects from our processes and performance.

Core Values

We, the employees of the Company, make a personal commitment through the daily demonstration of our Core Values:

- Safety, Integrity, Quality, Productivity, Flexibility.

EQUAL OPPORTUNITY EMPLOYMENT

The Company is an equal opportunity employer. We will not unlawfully discriminate against qualified applicants or employees with respect to any terms or conditions of employment based on race, color, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, religion, physical or mental disability, medical condition, pregnancy, marital status, citizenship status, military or veteran status, genetic information, or any other basis protected by applicable federal, state, or local law.

The Company will provide reasonable accommodations to otherwise qualified applicants or employees with known physical or mental disabilities to perform the essential functions of the job, unless it would create an undue hardship for the Company. Employees who require accommodations should contact their supervisor or HR and request an accommodation. Employees should specify in what way they are limited in their ability to perform the essential job functions and what accommodation(s) they believe is needed. The Company will review the situation with the employee to identify possible accommodations, if any, that will allow the employee to perform the essential functions. If a reasonable accommodation can be identified that will not impose an undue hardship, the Company will make the accommodation. If there is more than one possible accommodation, the Company will decide which one will be provided.

AT-WILL EMPLOYMENT

Employment at the Company is at-will. At-will employment may be terminated with or without cause and with or without notice at any time by the employee or the Company. Nothing in this Handbook or in any document or statement shall limit the right to terminate at-will employment. No supervisor or employee of the Company has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will. Only the Company's President has the authority to make any such agreement and then, only in writing.

The Company also retains the right to make all other employment decisions that are not inconsistent with the express written provisions of this Handbook, such as benefits, title, duties, transfers, demotions, and compensation in the sole discretion of the Company.

POLICY AGAINST HARASSMENT AND RETALIATION

The Company will not tolerate any type of harassment against applicants for employment, interns, volunteers, employees, or independent contractors on the basis of race, color, religion, sex, gender, gender identity or expression, pregnancy, marital status, age, national origin, ancestry,

physical or mental disability, medical condition, genetic information, sexual orientation, military or veteran status, or any other category protected by local, state, or federal laws. The Company also prohibits harassment based on the perception that an intern, volunteer, employee, applicant, or independent contractor has the characteristics of someone in a protected category, or is associated with a person who has or is perceived as having the characteristics of someone in a protected category.

“Harassment” includes, but is not limited to, disrespectful or unprofessional conduct based on a protected characteristic, such as sex, race, or national origin. Managers, supervisors, co-workers, and any third parties that employees have contact with are prohibited from engaging in harassment or other conduct deemed unlawful under the California Fair Employment and Housing Act.

Examples of disrespectful or unprofessional conduct based on a protected characteristic include, but are not limited to, making slurs, innuendos, or potentially offensive comments or jokes; the display of potentially offensive cartoons, posters, or other materials; distributing potentially offensive pictures or words in written, pictorial, or electronic form; touching or other unwanted attention; threats, intimidation, or other abusive behavior.

Sexual harassment deserves particular mention. Unwelcome sexual advances, requests for sexual favors, and other unwelcome physical, verbal, or visual conduct based on sex are prohibited. This includes, but is not limited to, sexual innuendoes, suggestive comments, sexually oriented teasing or practical jokes, display of sexually suggestive pictures or other materials, suggestive or insulting sounds, looks, or gestures, and any unwanted physical contact. Obviously, more severe forms of harassment, such as sexual assault, are also prohibited.

This policy applies at all Company locations and company-sponsored social or other events, as well as activities at which you represent the Company. All Company employees are responsible for helping to ensure that the work environment is free from prohibited harassment. If you believe an employee or a nonemployee has subjected you to sexual or other harassment in violation of this policy, you should immediately inform your immediate supervisor, the HR, or any member of Management. You are not required to complain first to your immediate supervisor. All supervisors must immediately report the complaint to the HR or any member of Management for investigations.

All complaints of prohibited harassment will be investigated fairly, thoroughly, and timely by qualified personnel. The complaint and the investigation will be kept as confidential as possible, although complete confidentiality cannot be guaranteed. Such investigation may include interviews with available witnesses or other parties who may be involved that provides all parties appropriate due process. To ensure fairness to both the complainant and the accused, all parties shall cooperate completely and truthfully with any such investigation. The complaint process will be documented and tracked for reasonable progress. The investigator shall issue a written report of his or her findings, based on reasonable conclusions drawn from the evidence collected, and ensure a timely closure of complaints. If at the end of the investigation misconduct is found, the Company will take appropriate remedial measures. The Company will also take appropriate remedial action to stop any prohibited harassment and prevent future harassment.

The Company will not retaliate and will not tolerate any retaliation against anyone who has filed a complaint, who has expressed a good faith concern about harassment, or who has participated in an investigation. Employees who believe they have been subjected to retaliation should

immediately inform the HR, the Company's President, or any other member of Management with whom they feel comfortable.

DISPUTE RESOLUTION POLICY

The Company is committed to providing the best possible climate for maximum development and goal achievement for all employees. We firmly believe that with direct communication we can resolve any difficulties that may arise and continue to develop a mutually beneficial relationship.

If you have a concern involving a co-worker, manager, non-employee, policy, or process, you are encouraged to bring the issue immediately to your direct supervisor for investigation and resolution. If you are unsatisfied with the results, you are encouraged to bring the issue to HR or any other member of Management for investigation and resolution. Complaints made by employees will be kept as confidential as possible, although complete confidentiality cannot be guaranteed.

PAY AND PROGRESS

INTRODUCTORY PERIOD

Newly hired employees will serve an introductory period of ninety (90) days, at the end of which time their performance may be evaluated.

The Company may extend the introductory period at its discretion. Employment is not guaranteed for the entire ninety (90) days of the introductory period, nor is employment guaranteed after the ninety (90) day introductory period.

Satisfactory completion of the introductory period does not alter the at-will character of the employment relationship with the Company. Employment is at-will and may be terminated at any time with or without cause or notice both during and after the introductory period.

Start of Benefits: Employee receives health benefits 1st of month following 60 days of employment.

EMPLOYEE CATEGORIES

All employees are classified in one or more of the following categories for the purpose of determining their status with regard to Company policies and benefits:

Regular Full-Time Employee: An employee who has completed the introductory period and works at least thirty-seven and a half (37.5) hours per week, on a regularly scheduled basis. Generally, these employees are eligible for the full benefits package, subject to the terms, conditions and limitations of each benefits program.

Regular Part-Time Employee: An employee who has completed the introductory period and is regularly scheduled to work at least twenty (20) hours per week. Regular, part-time employees are eligible for some of the benefits offered by the Company subject to the terms, conditions and limitations of each benefits program.

Temporary Full-Time Employee: Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work the Company's full-time schedule for a limited duration. Short term assignments generally are a period of three months or less, however such assignments may be extended for an undetermined time period. All temporary employees are at-will regardless of the anticipated duration of the assignment. Temporary employees retain that status unless and until notified in writing of any change. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary workers are not eligible for the Company benefits unless specifically stated otherwise in the Company's policy or are deemed eligible according to plan documents.

Temporary Part Time Employee: Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project and who are temporarily scheduled to work less than the Company's full-time schedule for a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary workers are not eligible for the Company benefits unless specifically stated otherwise in the Company's policy or are deemed eligible according to plan documents.

Exempt: An employee who is exempt from overtime pay under applicable state and federal laws.

Non-Exempt: An employee who is paid an hourly wage and is subject to the overtime provisions of applicable state and federal laws.

Regardless of the categories noted above, the Company does not promise or guarantee that any employee will be employed for any particular period of time. This does not and should not be construed to abrogate the Company's employment at-will policy. All of the Company's employees are employed at-will and may be terminated at any time, with or without cause, and with or without advance notice.

BUSINESS HOURS / WORK SCHEDULES

Your supervisor will assign your individual work schedule. The workday (a consecutive 24-hour period) begins at 12:00 a.m. and ends at 11:59 p.m. The workweek begins on Sunday at 12:01 a.m. and ends on Saturday at 12:00 a.m.

TIME KEEPING REQUIREMENTS

All non-exempt employees are required to record time worked on the Company's time keeping program or a time sheet for payroll purposes. Employees must record their own time at the start and at the end of each work period, including before and after meal breaks. Extra hours worked must also be recorded. Employees will submit their time record weekly as directed by their supervisor or manager. Each employee is to maintain an accurate daily record of his or her hours worked. All absences from work schedules should be appropriately recorded.

All nonexempt employees are required to Punch in when they begin work responsibilities and Punch Out when they have completed their work responsibilities or at the end of their scheduled work time, unless they have received prior approval from supervisor/manager for overtime. They are also required to clock out and in for their lunch break.

Altering, falsifying or tampering with time records; recording time on another employee's time record; or unauthorized work time or overtime are serious offenses that will result in disciplinary action, up to and including termination of employment. Any use of timesheets in lieu of time clock, in order to take longer breaks or lunches "off the clock" will not be allowed, and abuse of such practice will result in disciplinary action, up to and including termination of employment.

Nonexempt employees should not perform any work without recording this time worked accurately on their time record. If an employee is asked by anyone to work "off the clock" without reporting this time, he or she must report it immediately to HR. Asking someone to work without reporting time is a serious violation of this policy and will be subject to disciplinary action, up to and including termination of employment.

Any errors on your time sheet should be reported to your supervisor for resolution immediately and no later than the next payday.

PAYMENT OF WAGES

Regular payday schedule is on a weekly basis, to be paid on each Friday. When the payday is a holiday, you normally will be paid on the last working day before the holiday. Pay schedules may vary by site or state, therefore, please contact either your supervisor or HR for additional information.

All employees are required to use direct deposit or enroll in cash cards and have their paychecks deposited directly into a bank account of a participating bank or credit union. Forms are available upon hire for completion, and ongoing through HR or Payroll Department, to make any necessary account changes.

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each payroll check and that employees are paid promptly on the scheduled pay date. In the event that there is an error in the amount of pay you receive, please report the error immediately to your supervisor for resolution.

OVERTIME

Non-exempt employees may be given the opportunity to work overtime, as necessary. A supervisor must authorize all overtime work before it is performed.

The Company provides compensation for all overtime hours worked by non-exempt employees in accordance with applicable state and federal laws. Non-exempt employees are paid overtime for all hours worked over eight (8) hours in one (1) day and over forty (40) hours in a workweek, pursuant to federal and state law. Only hours actually worked will be used to calculate overtime pay. Paid time off, holiday pay, and other forms of pay for time not worked will not count as work time for purposes of calculating overtime.

ON CALL POLICY

Certain employees shall be required to be on-call. Please refer to the separate On-call Policy for additional information if affected by this policy. If you have any questions, please contact HR.

MEAL AND REST BREAKS

Non-exempt employees are entitled to a paid fifteen (15) minute rest break for shifts from three and a half (3 ½) to six (6) hours in length, two (2) fifteen (15) rest breaks for shifts of more than six (6) hours and up to ten (10) hours, and three (3) fifteen (15) minute rest breaks for shifts of more than ten (10) hours and up to fourteen (14) hours. Employees should take their rest breaks in the middle of each aforementioned work period, to the extent that is practicable.

Non-exempt employees who work five (5) hours or more are entitled to an uninterrupted unpaid thirty (30) minute meal break every five (5) hours. The meal break must be taken no later than the end of the fifth (5th) hour (in other words, no later than the start of the employee's sixth (6th) hour of work). An employee is entitled to a second meal period only if he or she works more than ten (10) hours per day. The second meal period must be taken no later than the end of the employee's tenth (10th) hour of work (in other words, no later than the start of the employee's eleventh (11th) hour of work).

Employees are relieved of all duties and are free to leave the premises during meal periods. Because meal periods are unpaid, employees must record the start and stop time for each meal period. The Company provides its employees with such meal breaks even if the Company does not remind its employees to take them. If an employee chooses to work through their off duty meal period, the Company will not owe that employee any premium pay because the Company is relinquishing control over its employees for each off duty meal period. Employees that feel they are unable to take a duty free meal period or a rest break for any reason should immediately notify, in writing, their supervisor or any member of Management and HR.

LACTATION ACCOMMODATIONS

The Company provides a supportive environment to enable breastfeeding employees to express their milk during work hours. The Company will use reasonable efforts to designate office space for the use of nursing mothers as needed and as available up to one year after the child's birth. The Company will designate a room or office for this purpose, and a small refrigerator, upon request. Any breast milk stored in a Company refrigerator must be labeled with the name of the employee and the date of expressing the breast milk. Any nonconforming products stored in the refrigerator may be disposed of. Employees storing milk in the refrigerator assume all responsibility for the safety of the milk and the risk of harm for any reason, including improper storage or refrigeration and tampering. Nursing mothers wishing to use this room must request/reserve the room by contacting the HR.

Additional rules for use of the room and refrigerator storage are posted in the room. Employees who work off-site or in other locations will be accommodated with a private area as necessary.

In order to minimize disruption of work, nursing mothers must use their rest breaks to express milk. If additional time is necessary, please contact HR to discuss reasonable accommodations. For non-exempt employees, breaks of more than twenty (20) minutes in length will be unpaid, and the employee should indicate this break period on her time record.

PAY DEDUCTIONS

The Company makes certain pay deductions from every employee's paycheck in accordance with local, state, and federal laws. The following will be withheld from your wages:

1. Federal income tax;
2. State income tax;
3. Federal Insurance Contributions Act ("FICA") payroll tax (for Social Security and Medicare); and
4. Disability insurance contributions ("SDI").

If you want to change the number of your exemptions or your marital status for tax withholding purposes, complete the appropriate form available from HR.

REIMBURSEMENTS

The Company will reimburse you for normal and commercially reasonable expenses incurred while conducting Company business and acting on its behalf. All expenses should be approved by your supervisor before they are incurred. Please keep all receipts and evidence of payment to submit for reimbursement.

Those who hold any Company issued credit cards (Management), must submit receipts for such charges immediately to the Accounting Manager of the Company. The reason for the charge must also accompany this submission.

Travel for staff must be authorized in advance. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Upon completion of the trip, and within thirty (30) days, the traveler must submit an Expense Reimbursement Form and supporting documentation to obtain reimbursement of expenses. For more details, contact the HR department.

EMPLOYMENT BENEFITS

Our Company has developed a comprehensive set of employee benefit programs for all eligible employees to supplement our employees' regular wages, including dental insurance, health insurance, holidays, and paid time off. Our benefits represent a hidden value of additional income to our employees. A number of programs, such as Social Security, Worker's Compensation, and Unemployment Insurance, may cover all employees in the manner prescribed by law. Information and enrollment forms may be obtained from HR.

This Handbook touches upon some of the current benefit plans maintained by the Company. However, please refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plans, because those documents control. With regards to all leaves of absence provided for in this Handbook, "Spouse" shall mean a husband or wife as defined or recognized under California state law for purposes of marriage.

The Company reserves the right to modify its benefits at any time. We will keep you informed of any changes.

Please note that RK is currently transitioning from a Paid Time Off Policy to Vacation Time and Sick Time policies. The new policies shall be effective January 1, 2017, pursuant this Handbook.

PAID TIME OFF ("PTO")

Prior to January 1, 2017, regular full-time employees are eligible for paid time off ("PTO"), unless

otherwise stated in writing. This PTO policy shall comply with the requirements set forth in the Healthy Workplace, Healthy Families Act of 2014. Upon hire, you shall be entitled to PTO as calculated according to your anniversary date and in accordance with your normal work hours, pursuant to your offer letter. PTO accrual begins on your date of hire.

Annual PTO accruals are based on forty (40) hours per week. Full-time exempt employees will be deemed to work forty (40) hours every week for the purposes of PTO accrual.

Any remaining unused PTO leave will be carried over to the following year; however, the maximum accrual of PTO days an employee can hold shall be capped at two hundred (200) hours.

Employees are required to take accrued and unused PTO before taking unpaid leave, or having unpaid absences, unless otherwise prohibited by state or federal laws. If you are absent for a reason that qualifies you for Paid Family Leave payments, you are required to first use any accrued and unused PTO, up to a maximum of two (2) weeks in a twelve (12) month period. Employees who are absent because of their own disability may be eligible for State Disability Insurance (“SDI”) benefits. SDI payments do not begin until after you have been absent from work for seven calendar days. SDI benefits do not replace all of your usual wages. Your SDI benefits will be supplemented with any accrued and unused leave.

Pay is not granted in lieu of taking actual time off. PTO may be used for any purpose, including, for the diagnosis, care, or treatment of an existing health condition of, or preventative care for, you or your family member. PTO may additionally be used if you are a victim of domestic violence, sexual assault, or stalking, and for purposes permitted by applicable state laws. You should provide the Company with reasonable advance notification of your intent to use PTO. If the need to use PTO time is unforeseeable, you must provide the Company with notice of the need to use PTO time as soon as practicable. All PTO may be used in one (1) hour increments.

Employees must follow the following procedure to request PTO:

- For all foreseeable PTO, employee must submit the time off request in writing, using the approved RK Group PTO form, and handing or emailing it directly to the supervisor. Any PTO forms that are emailed, must be signed by the employee already – and a follow-up phone call or in-person conversation must be had to ensure the request was indeed received by the supervisor.
- For unforeseeable PTO, employee must submit the time off request in writing, using the approved RK Group PTO form immediately after returning from PTO.
- If the direct supervisor is not available, due to being out of office, the chain of command escalation for approval and signature would then be to the next level manager.
- All employee requesting PTO, must get the form approved by either supervisor, or if not available long term, from next level manager. The form must also be signed by employee and those approving.
- It is then the supervisor’s responsibility to ensure that the PTO form is submitted to HR/Payroll for proper processing and the time out is entered into Paychex.
- Supervisors are responsible to find out how planned time off is prioritized in their departments and who will back fill.

- Supervisors and Management will prioritize business need and already received PTO requests, whenever reviewing new PTO requests. Based on business need, customer demands, and availability of other support, the supervisor and/or Management may deem the PTO requested not approved.
- Management may require an employee to postpone scheduled PTO, in the event of customer demand, or change in business demands. As much prior notice as possible will be performed.

Employees without enough PTO time cannot accrue a negative balance. All time taken off work when no PTO is available will be unpaid. Except in very limited circumstances and subject to approval, employees should not expect to take unpaid time off. Upon termination, eligible employees will be paid for earned but unused PTO.

PAID SICK TIME

Prior to January 1, 2017, part-time employees and temporary diem employees are entitled to 24 hours (or 3 days) of paid Sick Time annually, provided that you have worked at least thirty (30) calendar days with the Company within a year from the beginning of your employment. Sick Time shall be awarded on your date of hire and, thereafter, on the first of January. Sick Time is not accrued and does not carry over to the next year. It can be utilized for time for diagnosis, care, or treatment of an existing health condition or time for preventative care for the employee or a family member. Sick Time may additionally be used if you are a victim of domestic violence, sexual assault, or stalking, for purposes permitted by applicable state laws. This sick day policy shall comply with the requirements set forth in the Healthy Workplace, Healthy Families Act of 2014. If you have a question regarding paid Sick Day eligibility, please see HR for more information.

Employees without enough Sick Time cannot accrue a negative balance. All time taken off work when no Sick Time is available will be unpaid. Except in very limited circumstances, employees should not expect to take unpaid time off. Upon termination, employees will *not* be paid for earned but unused Sick Leave.

You should provide Company with reasonable advance notification. If the Sick Time is unforeseeable, you must provide the Company with notice of the need to use Sick Time as soon as practicable. Please follow the procedure under the Paid Time Off policy when requesting Sick Time. All Sick Time may be used in one (1) hour increments.

PAID VACATION TIME

Beginning on January 1, 2017, regular full-time employees are eligible for paid Vacation Time, unless otherwise stated in writing. Upon completion of your ninety (90) day introductory period, you shall be entitled to Vacation Time as calculated according to your anniversary date and in accordance with your normal work hours. Vacation Time accrual begins on your date of hire.

Annual Vacation Time accruals are based on forty (40) hours per week. Full-time exempt employees will be deemed to work forty (40) hours every week for the purposes of Vacation Time accrual.

Any remaining unused Vacation Time will be carried over to the following year; however, the maximum accrual of Vacation Time days an employee can hold shall be capped at two hundred (200) hours.

Employees are required to take accrued and unused Vacation Time before taking unpaid leave, or having unpaid absences, unless otherwise prohibited by state or federal laws. If you are absent for a reason that qualifies you for Paid Family Leave payments, you are required to first use any accrued and unused Vacation Time, up to a maximum of two (2) weeks in a twelve (12) month period.

Pay is not granted in lieu of taking actual time off. Vacation Time may be used for vacation and other personal time off needs. You should provide the Company with reasonable advance notification of your intent to use Vacation Time. All Vacation Time may be used in one (1) hour increments.

Employees must follow the following procedure to request Vacation Time:

- For all foreseeable Vacation Time, employee must submit the time off request in writing, using the approved RK Logistics Group Vacation Time form, and handing or emailing it directly to the supervisor. Any Vacation Time forms that are emailed, must be signed by the employee already – and a follow-up phone call or in-person conversation must be had to ensure the request was indeed received by the supervisor.
- For unforeseeable Vacation Time, employee must submit the time off request in writing, using the approved RK Group Vacation Time form immediately after returning from Vacation Time.
- If the direct supervisor is not available, due to being out of office, the chain of command escalation for approval and signature would then be to the next level manager.
- All employee requesting Vacation Time, must get the form approved by either supervisor, or if not available long term, from next level manager. The form must also be signed by employee and those approving.
- It is then the supervisor's responsibility to ensure that the Vacation Time form is submitted to HR/Payroll for proper processing and the time out is entered into Paychex.
- Supervisors are responsible to find out how planned time off is prioritized in their departments and who will back fill.
- Supervisors and Management will prioritize business need and already received Vacation Time requests, whenever reviewing new Vacation Time requests. Based on business need, customer demands, and availability of other support, the supervisor and/or Management may deem the Vacation Time requested not approved.
- Management may require an employee to postpone scheduled Vacation Time, in the event of customer demand, or change in business demands. As much prior notice as possible will be performed.

Employees without enough Vacation Time cannot accrue a negative balance. All time taken off

work when no Vacation Time is available will be unpaid. Except in very limited circumstances and subject to approval, employees should not expect to take unpaid time off. Upon termination, eligible employees will be paid for earned but unused Vacation Time.

PAID SICK TIME

Beginning on January 1, 2017, full-time employees, part-time employees, and temporary employees are entitled to the greater of twenty-four (24) hours or three (3) days of paid Sick Time annually, provided that you have worked at least thirty (30) calendar days with the Company within a year from the beginning of your employment. Sick Time is accrued at the rate of 1 hour per 30 hours worked for max of 24 hours in year, and does not carry over to the next year.

It can be utilized for time for diagnosis, care, or treatment of an existing health condition or time for preventative care for the employee or a family member. Sick Time may additionally be used if you are a victim of domestic violence, sexual assault, or stalking, for purposes permitted by applicable state laws. This sick day policy shall comply with the requirements set forth in the Healthy Workplace, Healthy Families Act of 2014. If you have a question regarding paid Sick Day eligibility, please see HR for more information.

Employees are required to take unused Sick Time before taking unpaid leave, or having unpaid absences, unless otherwise prohibited by state or federal laws. If you are absent for a reason that qualifies you for Paid Family Leave payments, you are required to first use any accrued and unused Sick Time. Employees who are absent because of their own disability may be eligible for State Disability Insurance ("SDI") benefits. SDI payments do not begin until after you have been absent from work for seven (7) calendar days. SDI benefits do not replace all of your usual wages. Your SDI benefits will be supplemented with any accrued and unused leave.

Employees without enough Sick Time cannot accrue a negative balance. All time taken off work when no Sick Time is available will be unpaid. Except in very limited circumstances, employees should not expect to take unpaid time off. Upon termination, employees will *not* be paid for earned but unused Sick Leave.

You should provide Company with reasonable advance notification. If the Sick Time is unforeseeable, you must provide the Company with notice of the need to use Sick Time as soon as practicable. All Sick Time may be used in one (1) hour increments. Please follow the procedure under the Paid Vacation Time policy when requesting Sick Time. If you have been out for three (3) work days or longer, you may be required to submit a doctor's note that you are able to fit for your duties.

COMPANY HOLIDAYS

The Company provides the following paid holidays each year for regular full time employees:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day

Should a holiday fall on a weekend, the holiday will be observed on the work day closest to the holiday.

RELIGIOUS HOLIDAYS

Reasonable accommodations will be made to give an employee the opportunity to be off from work to observe a non-designated religious holiday. This time should be scheduled and approved within thirty (30) days in advance by their supervisor. An employee may use any available Vacation Time or PTO, if applicable, for these holidays. If there is no available time remaining, an employee may take the time off without pay if approved by their supervisor.

FAMILY CARE, MEDICAL, AND PREGNANCY LEAVE

The Company will provide family and medical care leave for eligible employees, as required by state and federal law, including leaves under the federal Family and Medical Leave Act ("FMLA") (which includes Military Caregiver Leave, also known as Covered Service member Leave), the California Family Rights Act ("CFRA"), and the Paid Family Care Leave Act ("PFCLA"). An individual who is entitled to leave under the FMLA and the CFRA must take Family Temporary Disability Insurance ("FTDI") leave concurrently with leave taken under the FMLA and the CFRA.

FAMILY CARE AND MEDICAL LEAVE

Definitions:

In implementing this policy, the following definitions will apply.

"12-Month Period" means a rolling twelve (12) month period measured backward from the date leave is taken and continuous with each additional leave day taken.

"Child" means a child under eighteen (18) years of age, or eighteen (18) years of age or older who is incapable of self-care because of a mental or physical disability. An employee's child is one for whom the employee has actual day-to-day responsibility for care and includes a biological, adopted, or foster child, a step-child, a legal ward, a son or daughter of a domestic partner, or a son or daughter to whom the employee stands in loco parentis (in place of a Parent).

"Parent" means the biological, foster, or adoptive parent of an employee or an individual who stands or stood in loco parentis (in place of a parent) to an employee when the employee was a child. This term does not include parents-in-law.

"Spouse" means a husband or wife as defined or recognized under California state law for purposes of marriage.

"Domestic Partner" means a partner as defined in Section 297 of the Family Code.

"Family Member" means a Child, Parent, Spouse, or Domestic Partner as defined in this family care and medical leave policy.

"Serious Health Condition" means an illness, injury impairment, or physical or mental condition that involves:

(1) Inpatient care (i.e., an overnight stay) in a hospital, hospice, or residential medical care facility, including any period of incapacity (i.e., inability to work or perform other regular daily activities because of the Serious Health Condition, treatment involved, or recovery therefrom); or

(2) Continuing treatment by a health care provider (i.e., a Serious Health Condition involving continuing treatment by a health care provider as defined under federal or state law).

“**Health Care Provider**” has the same meaning as defined under the FMLA and CFRA.

Reasons for Leave:

Leave is only permitted for the following reasons:

(1) The birth of a Child or to care for a newborn of an employee or the employee’s domestic partner;

(2) The placement of a Child with an employee in connection with the adoption or foster care of the Child by the employee or the employee’s domestic partner;

(3) To care for a Child of the employee, Spouse, or Domestic Partner who has a Serious Health Condition;

(4) Because of a Serious Health Condition that makes the employee unable to perform the functions of his or her position; or

(5) To care for a Parent, Spouse, or Domestic Partner who has a Serious Health Condition.

Employee Eligibility:

An employee is eligible for leave if the employee:

(1) Has been employed for at least twelve (12) months;

(2) Has been employed for at least 1250 hours during the twelve (12) month period immediately preceding the commencement of the leave; and

(3) Is employed at a worksite where the Company employs at least fifty (50) employees within a seventy-five (75) mile radius.

The Company counts FMLA/CFRA leave using a “looking back” method, meaning that if an employee requests FMLA/CFRA leave, the Company looks back over the preceding twelve (12) months to determine if the employee has taken FMLA/CFRA leave during that time period. If the employee did take FMLA/CFRA leave, then that time would be deducted from the amount of leave for which the employee is now eligible. If the employee has not taken any FMLA/CFRA leave, then the employee would be eligible for all twelve (12) weeks of FMLA/CFRA leave.

Amount of Leave & Minimum Duration of Leave:

Eligible employees are entitled to a total of twelve (12) workweeks of leave during any twelve (12) month period.

If leave is requested for the birth, adoption, or foster care placement of a Child of the employee or Domestic Partner, leave must be concluded within one (1) year of the birth or placement of the Child. In addition, the basic minimum duration of such leave is two (2) weeks. However, an employee is entitled to leave for one of these purposes (e.g., bonding with a newborn) for at least one (1) day, but less than two (2) weeks' duration on any two (2) occasions.

If leave is requested to care for a Child, Parent, Spouse, or Domestic Partner or for the employee himself or herself with a Serious Health Condition, there is no minimum amount of leave that must be taken. However, the notice and medical certification provisions of this policy must be complied with.

Spouses Both Employed by the Company:

In any case in which domestic partners or a husband and wife are both employed by the Company and both are entitled to leave, the aggregate number of workweeks of leave to which both may be entitled may be limited to twelve (12) workweeks during any twelve (12) month period if leave is taken for the birth or placement for adoption or foster care of the employees' child (i.e., bonding leave). This limitation does not apply to any other type of leave under this policy.

Employee Benefits While on Leave:

Leave under this policy is unpaid. However, employees may be able to use their accrued paid leave before going into an unpaid status. While on leave, the employee will continue to be covered by the Company's group health insurance to the same extent that coverage is provided while the employee is on the job.

Employees will continue to receive the same level of benefits coverage they were eligible to receive before their leave, in accordance with applicable state and federal law. The employee may be entitled to other, non-Company-provided benefits under any other federal or state programs such as state disability insurance benefits. The Company is not responsible for administering any such benefits.

Employees may make the appropriate contributions for continued coverage under the preceding non-health benefit plans by payroll deductions or direct payments made to these plans. Depending on the particular plan, the Company will inform the employee whether the premiums should be paid to the carrier or to the Company. The coverage on a particular plan may be dropped if the employee is more than thirty (30) days late in making a premium payment. However, the employee will receive a notice at least fifteen (15) days before coverage is to cease, advising him or her that he or she will be dropped if the premium payment is not paid by a certain date. Employee contribution rates are subject to any change in rates that occurs while the employee is on leave.

While on leave under this policy, an employee may elect to concurrently use paid accrued leaves. Similarly, the Company may require an employee to concurrently use paid accrued leaves after requesting FMLA/CFRA leave and Paid Family Care Leave and may also require an

employee to use family and medical care leave concurrently with a non-FMLA/CFRA leave that is FMLA/CFRA-qualifying.

Employer's Right to Require Employee to use Paid Accrued Leave Concurrently with Family Leave:

When an employee has earned or accrued Vacation Time or PTO, if applicable, that paid leave must be substituted for all or part of any (otherwise) unpaid leave under this policy.

An employee is entitled to and must use Sick Time, if available, concurrently with leave under this policy if the leave is for the employee's own Serious Health Condition.

An employee may use Vacation Time, Sick Time, or PTO concurrently with leave under this policy, if available and applicable.

As a condition of an employee's initial receipt of family temporary disability insurance benefits during any twelve (12) month period in which an employee is eligible for these benefits, the Company may require an employee to take up to two (2) weeks of earned but unused Vacation Time, Sick Time, or PTO, if applicable, before the employee's initial receipt of these benefits, if available and permitted by law. If the Company requires the employee to take Vacation Time, Sick Time, or PTO, if applicable, that portion of the leave that does not exceed one (1) week shall be applied to any applicable waiting period for receipt of family temporary disability insurance benefits.

Medical Certification:

Employees who request leave for their own serious health condition or to care for a child, parent, domestic partner, or spouse who has a serious health condition must provide written certification from the health care provider of the individual requiring care if requested by the Company.

When an employee's leave is foreseeable and at least thirty (30) days' notice has been provided, if a medical certification is requested, the employee must provide it before the leave begins. When this is not possible, the employee must provide the requested certification to the Company within the time frame requested by the Company (which must allow at least fifteen (15) calendar days after the employer's request), unless it is not practicable under the particular circumstances to do so despite the employee's diligent good faith efforts.

The Company will advise the employee in writing what additional information is necessary to make the certification complete and sufficient. The employee will have seven (7) calendar days, unless not practicable under the circumstances despite the employee's diligent good faith efforts, to cure any deficiency. If the deficiency is not cured, the Company may deny the taking of FMLA/CFRA leave.

Intermittent Leave or Reduced Schedule Leave:

If an employee requests leave intermittently (e.g., a few days or hours at a time) or on a reduced leave schedule to care for an immediate family member with a serious health condition, the employee must provide medical certification that such leave is medically necessary.

Employee's Notice on Leave:

Although the Company recognizes that emergencies arise that may require employees to request immediate leave, employees are required to give as much notice as possible of their need for leave. If leave is foreseeable, at least thirty (30) days' notice is required. In addition, if an employee knows that he or she will need leave in the future but does not know the exact date(s) (e.g., for the birth of a child or to take care of a newborn), the employee shall inform his or her supervisor as soon as possible that such leave will be needed. Absent unusual circumstances, such notice may be given in accordance with the Company's usual and customary call-in procedures for reporting an absence. The employee must provide notice sufficient to make the Company aware that the employee needs FMLA/CFRA-qualifying leave and of the anticipated timing and duration of the leave. If the Company determines that an employee's notice is inadequate, the Company may delay the granting of FMLA/CFRA leave.

Reinstatement on Return from Leave:

On expiration of leave, an employee is entitled to be reinstated to the position of employment held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Employees have no greater rights to reinstatement, benefits, and other conditions of employment than if the employee had been continuously employed during the FMLA/CFRA-Paid Family Care Leave period.

If a definite date of reinstatement has been agreed on at the beginning of the leave, the employee will be reinstated on the date agreed on. If the reinstatement date differs from the original agreement date between the employee and the Company, the employee will be reinstated within two (2) business days, when feasible, after the employee notifies the Company of his or her readiness to return.

An employee may be required to periodically report on his or her status and intent to return to work. This will avoid any delays to reinstatement when the employee is ready to return.

As a condition of reinstatement of an employee whose leave was based on the employee's own serious health condition that made the employee unable to perform his or her job, the employee must obtain and present a fitness-for-duty certification from the health care provider stating that the employee is able to perform the essential functions of the employee's job. When reasonable job safety concerns exist, the Company may require a fitness-for-duty certification before an employee may return to work when the employee takes intermittent or reduced leave. Failure to provide such certification will result in denial of reinstatement.

MILITARY CAREGIVER LEAVE

An eligible employee who is a spouse, child, parent, or next of kin of a covered servicemember with a serious injury or illness may take up to a total of twenty-six (26) workweeks of unpaid leave during a single twelve (12) month period to care for the servicemember. A covered servicemember is a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise on outpatient status, or is otherwise on the temporary disability retired list, in each case for a serious injury or illness. A serious injury or illness is one that was incurred by a servicemember in the line of duty on active duty that may render the servicemember medically unfit to perform the duties of his or her office, grade, rank, or rating. The single twelve (12) month period for leave to care for a covered servicemember with a serious injury or illness begins on the

first day the employee takes leave for this reason and ends twelve (12) months later, regardless of a twelve (12) month period established by the employer for other types of FMLA leave. An eligible employee is limited to a combined total of twenty-six (26) workweeks of leave for any FMLA-qualifying reason during the single twelve (12) month period.

Qualifying Exigency Leave

An eligible employee may take up to a total of twelve (12) workweeks of unpaid leave during the normal twelve (12) month period established by the employer for FMLA leave for qualifying exigencies arising out of the fact that the employee's spouse, child, or parent is on active duty, or has been notified of an impending call or order to active duty, in support of a contingency operation. Under the terms of the statute, qualifying exigency leave is available to a family member of a military member in the National Guard or Reserves; it does not extend to family members of military members in the regular Armed Forces.

Qualifying exigencies include:

(1) Issues arising from a covered military member's short-term deployment (*i.e.*, deployment on seven (7) or fewer days of notice) for a period of seven (7) days from the date of notification;

(2) Military events and related activities such as official ceremonies, programs, or events sponsored by the military or family support or assistance programs and informational briefings sponsored or promoted by the military, military service organizations, or the American Red Cross that are related to the active duty or call to active duty status of a covered military member;

(3) Certain child care and related activities arising from the active duty or call to active duty status of a covered military member, such as arranging for alternative child care, providing child care on a non-routine, urgent, immediate-need basis, enrolling or transferring a child in or to a new school or day care facility, or attending certain meetings at a school or day care facility, in each case if necessary because of circumstances arising from the active duty or call to active duty of a covered military member;

(4) Making or updating financial and legal arrangements to address a covered military member's absence;

(5) Attending counseling provided by someone other than a health care provider for oneself, the covered military member, or a child of the covered military member, the need for which arises from the active duty or call to active duty status of a covered military member;

(6) Taking up to five (5) days of leave to spend time with a covered military member who is on short-term temporary rest and recuperation leave during deployment;

(7) Attending to certain post-deployment activities, including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military, for a period of ninety (90) days following the termination of the covered military member's active duty status;

(8) Addressing issues arising from the death of a covered military member; and

(9) Any other event that the employee and employer agree is a qualifying exigency.

Leave to Care for Covered Servicemember with Serious Illness or Injury Incurred in the Line of Duty on Active Duty

Eligible employees who have family members who are covered servicemembers may take up to twenty-six (26) workweeks of leave in a single twelve (12) month period to care for a covered servicemember with a serious illness or injury incurred in the line of duty on active duty. The leave may be taken intermittently whenever medically necessary to care for a covered servicemember with a serious injury or illness. Leave may also be taken intermittently for a qualifying exigency arising out of the active duty status or call to active duty of a covered military member. When leave is needed for planned medical treatment, the employee must make a reasonable effort to schedule the treatments so as not to unduly disrupt the Company's operation.

Spouses employed by the same employer are limited to a combined total of twenty-six (26) workweeks of leave in a single twelve (12) month period if the leave is to care for a covered servicemember with a serious injury or illness; for the birth and care of a newborn child; for placement of a child for adoption or foster care; or for care of a parent who has a serious health condition.

Employees seeking to use Military Caregiver Leave must provide thirty (30) days' advance notice of a need to take FMLA leave for planned medical treatment for a serious injury or illness of a covered servicemember. If leave is foreseeable but thirty (30) days' advance notice is not practicable, the employee must provide notice as soon as practicable, generally, either the same or next business day. The employee must provide notice of the need for foreseeable leave based on a qualifying exigency as soon as practicable. When the need for military family leave is not foreseeable, the employee must provide notice to the employer as soon as practicable under the facts and circumstances of the particular case. Generally, it should be practicable to provide notice for unforeseeable leave within the time prescribed by the Company's usual and customary notice requirements.

The employee must provide sufficient information to make the Company aware of the need for FMLA leave for these reasons and the anticipated timing and duration of the leave. Such information may include, as applicable, information to the effect that:

(1) The requested leave is for a particular qualifying exigency related to the active duty status or call to active duty of a covered military member, along with the anticipated duration of the leave; and

(2) The leave is for a qualifying family member who is a covered servicemember with a serious injury or illness, along with the anticipated duration of the leave.

Employer Notice:

When the employee requests FMLA leave under this policy, the Company will notify the employee of his or her eligibility to take leave, including a reason for non-eligibility if the employee is determined not to be eligible. Such eligibility notice may be oral or written and should generally be given within five (5) business days of the employee's request for leave. Subsequent eligibility notice in the same twelve (12) month leave period may be required when an employee's eligibility status changes. The Company will inform employees of their rights and responsibilities under this leave, including giving specific written information on what is required of the employee.

When the Company has enough information to determine that the leave is being taken for an FMLA-qualifying reason, the Company will notify the employee that the leave is designated and will be counted as FMLA leave. The Company will designate leave that qualifies as both leave to care for a covered servicemember with a serious injury or illness and leave to care for a qualifying family member with a serious health condition as leave to care for a covered servicemember in the first instance. This designation notice will be in writing and generally will be given within five (5) business days of the determination. The Company will notify the employee of the number of hours, days, or weeks that will be counted against the employee's FMLA entitlement.

Certification Requirements:

The Company will require the employee who requests military family leave to produce a certification and may require the employee certification to be supported by:

(1) For leave for a qualifying exigency, a copy of the covered military member's active duty orders and certification providing the appropriate facts related to the particular qualifying exigency for which leave is sought, including contact information if the leave involves meeting with a third party; and

(2) For leave to care for a covered servicemember with a serious injury or illness, certification completed by an authorized health care provider or a copy of an Invitational Travel Order (ITO) or Invitational Travel Authorization (ITA) issued to any member of a covered servicemember's family.

PREGNANCY DISABILITY LEAVE ("PDL")

An employee may take pregnancy disability leave (PDL) if she is disabled because of pregnancy, childbirth, or a related medical condition, including prenatal care and severe morning sickness. The length of leave will be up to four (4) months or the equivalent number of days the employee would normally work within the four (4) month period per pregnancy and not per year. Intermittent leave or a reduced work schedule may be taken.

To better accommodate this type of leave, the Company reserves the right to temporarily transfer the employee to an available alternative position with equivalent pay and benefits. The Company will also consider a temporary transfer if medically advisable. The Company is not required to create a position, to discharge another employee or transfer another employee with more seniority, or to promote or transfer an employee if she is not qualified for the position. PDL will run concurrently with FMLA leave. After using FMLA and PDL leave, the employee may be eligible to utilize CFRA leave provided it is within twelve (12) months of the child's birth. PDL may be unpaid, provided that an employee exhausts accrued Sick Time, if available. Employee may but is not required to use accrued Vacation Time or PTO, if applicable.

PAY AND BENEFITS DURING LEAVE OF ABSENCE

Employees will be expected to exhaust their Vacation Time, Sick Time, PTO if applicable before going into an unpaid status. This requirement will be applied consistent with applicable state and federal laws.

Employees will continue to receive the same level of benefit coverage they were eligible to receive before their leave, in accordance with applicable state and federal laws. If the Company

approves a request made by an employee for a continuation of leave that extends beyond the leave period provided by applicable federal or state law, the employee will be eligible to continue his or her benefits through COBRA.

PAID FAMILY LEAVE

The State of California may provide partial wage benefits to eligible employees for up to a maximum of six (6) weeks for the following reasons:

1. Care for and bond with an employee or domestic partner's child after birth or in connection with adoption or foster care;
2. Care for a serious health condition of an employee's child, parent, spouse, domestic partner, grandparents, grandchildren, siblings, or parents-in-laws.

The Paid Family Leave Act ("PFLA") provides benefits based on the calendar quarter with the highest earnings in your base period, which covers twelve (12) months and is divided into four (4) consecutive quarters of three (3) months each. The cost of the insurance is fully paid by the employee. There is a seven (7) calendar day waiting period before benefits begin.

You are responsible for filing your claim for family leave insurance benefits and other forms promptly and accurately with the Employment Development Department ("EDD"). A claim form may be obtained from the EDD by telephone, letter, the Internet, or in person. All eligibility and benefit determinations are made by the EDD.

The PFLA does not provide greater rights to leave, job protection, or return to work. Further, this policy does not provide additional time off, but rather, family leave insurance may provide compensation during the approved leave.

BEREAVEMENT LEAVE

In an event of a death in the immediate family, employees may have up to three (3) working days, with pay, at their regular straight time rate or base salary, to handle family affairs and attend the funeral. "Immediate Family" is defined as: parents, siblings, spouse, children, registered domestic partner, spouse's registered domestic partner's parent, brother-in-laws, sister-in-laws, nieces, nephews, grandchildren, or grandparents and grandchildren. One (1) work day of paid leave will be granted to attend the funeral of an uncle or aunt, spouse's or registered domestic partner's, or any other member of your extended family. Only regular full-time employees are eligible for paid bereavement leave.

JURY DUTY AND WITNESS LEAVE

The Company grants leave to non-exempt employees who are required to serve on a jury or who are victims of a crime and must appear in court to comply with a subpoena as a witness. If you are required to serve on a jury or to appear as a witness, you must present your summons or subpoena to your supervisor as soon as possible. Full time and part time employees shall be paid for one (1) day, upon receipt of verification. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws. Otherwise, employees may, but are not required to, use accrued but unused Vacation Time or PTO, if applicable. Employees are expected to report for work during hours and on days that your presence is not required in court. While in court, employees are expected to call their supervisor on a daily basis.

EMERGENCY DUTY AS A VOLUNTEER FIREFIGHTER, RESERVE POLICE OFFICER, OR EMERGENCY RESCUE PERSONNEL

The Company grants temporary unpaid leave to employees who are required to perform emergency duty as a volunteer firefighter, a reserve police officer, or emergency rescue personnel.

In addition, reserve police officers, emergency rescue personnel, and volunteer firefighters are permitted to take a temporary leave of absence, not to exceed an aggregate of fourteen (14) days per calendar year, for the purpose of engaging in fire or law enforcement training or emergency rescue training.

VOTING LEAVE

Our Company believes that every employee should have the opportunity to vote in any state or federal election, general primary or special primary. Any employee who does not have sufficient time outside of working hours to vote in a statewide or national election may request up to two (2) paid hours off in order to vote. Notify your supervisor of the need for voting leave as soon as possible. When you return from voting leave, you must present a voter's receipt to your supervisor.

SCHOOL VISITATION

Consistent with state laws, employees who are parents, guardians, or custodial grandparents are entitled to take up to forty (40) unpaid hours each school year to find, enroll and reenroll, to participate in the school activities of, and to address a child care provider emergency or a school emergency of their child, ward, or custodial grandchild who is in a licensed day care facility, kindergarten, or grades one (1) through twelve (12). Time off may not exceed eight (8) hours in any calendar month of the school year.

Further, employees who are the parents or guardians of a pupil are permitted to take unpaid time off to appear at that pupil's school when the school has requested the employee to appear for disciplinary hearings and problems, including suspension and expulsion. For the purposes of this policy, "parents" include parent, guardian, stepparent, foster parent, or grandparent of, or a person who stands in loco parentis to, a child.

The employee must give reasonable notice to the Company and must first utilize existing Vacation Time or PTO, if applicable, for this purpose. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

TEMPORARY MILITARY LEAVE

Military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). Eligible employees are expected to give the Company at least thirty (30) days' notice, when feasible.

The time off will be unpaid, except where state or federal law dictates otherwise. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Continuation of health insurance benefits is available, as required by USERRA, based on the length of the leave and subject to the terms, conditions, and limitations of the applicable plans for which the employee is otherwise eligible.

Employees on military leave for up to thirty (30) days are required to return to work on the next full, regularly scheduled workday, allowing reasonable time for travel. Employees on longer military leave must notify the Company of his or her intention to return to work within fourteen (14) days following the end of military service and apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service, in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Exceptions: The Company may not reemploy an employee under the following limited circumstances:

1. If reemployment is unreasonable or impossible because the Company's circumstances have changed;
2. If, after reasonable efforts to accommodate a disability, rehiring a disabled employee causes the Company an undue hardship;
3. If the pre-military leave position was a brief, non-recurrent period of employment and there was no reasonable expectation that such employment would continue indefinitely; or
4. If the employee is discharged from the uniformed services with a punitive military discharge or any other than honorable administrative discharge.

This policy is neither exhaustive nor exclusive. The Company is committed to taking all other actions necessary to comply with all other applicable federal and state laws.

MILITARY SPOUSE LEAVE

The Company allows eligible employees to take up to ten (10) days of leave, without pay, when the employee's spouse is on leave from deployment during a period of military conflict.

Eligible employees include individuals employed in California who work at least an average of twenty (20) hours per week and whose spouse is a member of the United States Armed Forces, National Guard, or Army Reserve on active duty in an area of military conflict. This leave does not affect the employee's right to take leave that the employee is otherwise entitled to take or to any other employee benefit provided for in other state and federal laws.

Employees must provide notice to the Company within two (2) business days of receiving official notice that his or her spouse will be on a leave from deployment. Employees must also provide written documentation to the Company certifying that the military member will be on military leave from deployment. Employees may utilize accrued Vacation Time or PTO, if applicable, during this leave.

DOMESTIC VIOLENCE LEAVE

The Company will not discriminate against employees who are victims of domestic violence, stalking, or sexual assault for taking time off from work to obtain or attempt to obtain any relief, including, but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of a victim or his or her child.

The Company will also not discriminate against an employee who is a victim of domestic violence, stalking, or sexual assault for taking time off from work to seek medical attention for injuries caused by such domestic violence, stalking, or sexual assault, to obtain services from a domestic violence, stalking, or sexual assault program, to obtain psychological counseling related to the domestic violence, stalking, or sexual assault, or to participate in actions to increase safety from future domestic violence, stalking, or sexual assault, including temporary or permanent relocation.

Affected employees must give the Company reasonable notice that they are required to be absent for a purpose stated above, except for unscheduled or emergency court appearances or other emergency circumstances. In such a case, the Company will take no action against affected employees if, within a reasonable time after the appearance, they provide the Company with documentary evidence that their absence was required for any of the above reasons.

The Company will provide reasonable accommodations to an employee who is a victim of domestic violence, stalking, or sexual assault, unless it would create an undue hardship for the Company. Employees who require an accommodation should contact their supervisor or HR and request an accommodation. The Company will review the situation with the employee to identify possible accommodations, if any.

This leave is unpaid, except the employee may use Vacation Time, Sick Time, or PTO, if available and applicable. To the extent allowed by law, the Company will maintain the confidentiality of all communications made in connection with such leave.

LEAVE FOR ORGAN AND BONE MARROW DONATION

The Company will grant up to thirty (30) days of paid leave per year to an employee for purposes of donating an organ and up to five (5) days of paid leave per year to an employee for purposes of donating bone marrow. This leave will not run concurrently with FMLA/CFRA leave. The Company may require, as a condition of an employee's bone marrow or organ donations leave, that the employee take up to five (5) days of earned but unused Vacation Time, Sick Time, or PTO, if applicable, for bone marrow donation and up to two (2) weeks of earned but unused Vacation Time, Sick Time, or PTO, if applicable, for organ donation, unless doing so would violate the provisions of any collective bargaining agreement.

When feasible, the employee requesting leave must provide the Company with advance notice of the employee's need for leave. If advance notice is not feasible, the employee must provide documentation supporting the employee's absence within a reasonable time after leave is taken.

VICTIMS OF CRIME LEAVE

The Company will grant reasonable and necessary leave from work, without pay, to employees who are victims of a crime, or whose spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, stepfather, domestic partner, or child of a domestic partner

is a victim of a crime to attend judicial proceedings related to a violent felony, serious felony, felony theft, embezzlement, and any other offenses permitted by state law.

When feasible, affected employees must provide the Company with advance notice of the employee's need for leave, including a copy of the notice of the scheduled proceeding. If advance notice is not feasible, affected employees must provide documentation evidencing the legal proceeding requiring the employee's absence within a reasonable time after leave is taken.

Affected non-exempt employees may elect to use accrued Vacation Time, Sick Time, or PTO, if applicable, in lieu of unpaid leave. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

DRUG AND/OR ALCOHOL REHABILITATION

The Company will provide reasonable accommodation to employees who voluntarily participate in an alcohol and/or drug rehabilitation program, if the reasonable accommodation does not impose an undue hardship on the Company. The Company may request proof of attendance, to the extent allowable under federal and state law. Information about the Company's Employee Assistance Resources (EAP) can be obtained from RK HR.

LITERACY ASSISTANCE

The Company will reasonably accommodate and assist any employee who reveals a literacy problem and requests employer assistance either in enrolling in a literacy program or in arranging visits of an instructor, provided such accommodation does not pose an undue hardship on the Company. Such enrollment is not paid for by the company, but help with resourcing can be done.

EXPECTATIONS OF THE JOB

STANDARDS OF CONDUCT

By accepting employment with us, you have a responsibility to the Company and to your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary so that our Company will be a better place to work for everyone. All employees of the Company are expected to conduct themselves in a professional manner at all times while at work or representing the Company in any capacity.

PERSONNEL RECORDS/DATA CHANGES

The Company keeps a personnel file for each employee. The contents of your file are confidential to the extent permitted by law. You may inspect your personnel file and obtain a copy of all documents in your file that you have signed by providing written request to the HR. Access shall be provided as required by applicable law.

It is the responsibility of each employee to promptly notify the HR, in writing, of any changes in mailing address, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, changes in insurance coverage, educational accomplishments, and other such status reports. This information should be accurate and current at all times.

EMPLOYMENT VERIFICATION – REFERENCES

All requests for employment verification or references must be directed to HR. No other manager, supervisor, or employee is authorized to release references for current or former employees. The Company's policy as to employment verification or references for employees who have left the Company is to disclose only the dates of employment and the title of the last position held. If you authorize the disclosure in writing, the Company will also provide a prospective employer with the information on the amount of salary or wage you last earned.

CONFIDENTIAL INFORMATION

As part of your employment, you may have access to trade secrets or confidential information that belongs to the Company. Such information may include financial information, customer lists, preferences, sales data, business plans, vendor information, and other proprietary information. All Employees are expected to protect this information by safeguarding and protecting it, by only using for business of the Company, and disclosing and revealing it only when approved to do so, and only to those who have a legitimate and genuine business need to know about it. Do not discuss confidential matters outside the office, no matter how trivial it seems to you. As a condition of employment, all employees are required to sign a Non-Disclosure Agreement.

The requirement to keep all such information confidential continues even after the employee is no longer working for the Company. Violation of this policy may subject the employee to discipline, up to and including termination.

OUTSIDE EMPLOYMENT

Employees may engage in outside employment to the degree that it does not conflict with the interests of the Company. No employee is permitted to accept employment, whether for pay or otherwise, if the additional outside employment leads to a conflict or potential interest of the employee, if the nature of the outside employment will reflect negatively on the Company, or if the outside employment conflicts with the duties of the employee. Employees are prohibited from using Company time, property, confidential information, tools or equipment to perform work for an outside employment.

INSPECTION OF WORKSTATIONS AND PERSONAL BELONGINGS

The Company reserves the right to search any and all Company workstations, work areas, desks, file cabinets, lockers, vehicles, and personal property of employees and their contents for illegal drugs, alcohol, weapons, and stolen property (collectively referred to as "Contraband"). The Company will conduct searches, at any time, with or without notice, when there is reasonable cause to believe that you have Contraband in your possession, and the Company may confiscate such Contraband. Employees should have no reasonable expectation of privacy in Company-supplied property such as vehicles, workstations, desks, lockers, and cabinets.

USE OF COMPANY TELEPHONES AND PERSONAL PHONES

Personal use of the Company telephones is not permitted, except for emergency calls and extremely brief personal calls.

Cell phones at work are discouraged, as it can interfere with work and can be disruptive to others. The Company will not be liable for the loss of personal cellular phones or personal digital assistants brought into the workplace.

Employees who bring a cell phone to work must turn it to the OFF position when entering the building. During breaks and lunches employees may activate phone and use. At this time the Company expects employee to be off the warehouse floor and in a secure area other than at desk or on work floor. Be sure to turn phone back to OFF position when returning to work.

If an emergency should occur that your family needs to have immediate contact with employee, they should be directed by employee to call the HR or the employee's direct Supervisor or Manager. At NO time is a cell phone permitted to be used while operating a forklift or any other Company equipment.

The use of the camera on the phones in the workplace is strictly prohibited due to privacy and security concerns, with the exception of employees using the camera for assigned Company work, including, but not limited to, taking photos of an accident, taking official staff photos, and documenting damage. The Company reserves the right to confiscate any employee's cell phone in order to determine if this policy has been violated.

Employees whose job responsibilities include regular and occasional driving for business are expected to refrain from using their phone while driving. Safety must come before all other concerns. Regardless of the circumstances, including slow or stopped traffic, employees are strongly encouraged to find a suitable place to safely stop the vehicle before placing or accepting a call. If acceptance of a call is unavoidable and pulling over is not an option, California mandates the use of a hands free device, thus the acceptance of a phone call while driving without such a device is illegal.

Employees who are charged with traffic violations resulting from the use of their phone while driving will be solely responsible for all liabilities that result from such actions. Employees are to provide the Company notice of such traffic violations, regardless of the perceived severity.

The Company may provide cell phones to employees in certain positions for efficiency and effectiveness. Confidentiality of any Company confidential information should be of utmost priority and all cell phones must be password protected.

USE OF COMPANY PROPERTY AND EQUIPMENT

All Company supplies and equipment are the property of Company and should not be used for personal purposes. If the employee needs any supplies or equipment to perform the employee's job more effectively or comfortably, he or she should ask the supervisor. When using Company equipment, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards and guidelines.

It is incumbent upon everyone to notify your supervisor if any property appears to be damaged, defective, in need of repair, or has been lost. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of property and possible injury to employees, clients or others. The improper, careless, negligent, destructive, or unsafe use or operation of property can result in disciplinary action, up to and including termination of employment.

USE OF COMPANY VEHICLES

No Company vehicle shall be used for personal employee business and no personal vehicle for Company business except when specific approval is given by the employee's supervisor/manager or the Company owner. In addition, employees may not transport non-employee passengers or any pets in Company vehicles.

All Company vehicles and Company equipment shall be checked before use, for fluid levels, belts, leaks, tire condition and other potential safety or maintenance items.

If the Company vehicle breaks down, the employee shall not leave it abandoned on a highway or street, unless it is unsafe for the employee. It is the employee's responsibility to have the vehicle towed to a safe place.

No major repairs should be authorized by any employee on the vehicle, without the PRIOR approval by Management.

All expense receipts for any service on vehicle should be submitted on the proper RK Group Expense Form to your reporting supervisor or manager for reimbursement. This submittal shall be done with employee time card submittal each week, or directly via email to the supervisor/manager.

Drivers shall observe all state issued speed limits and traffic safety rules. Employees must always have in their possession while driving Company vehicles a current valid driver's license with proper endorsements. For insurance reasons, employees who have received a DWI, DUI or unsafe driving violation within the last two years must inform the Company of such violations and will be prohibited from operating Company owned or leased vehicles unless authorized by the Company President.

Employees shall not possess, transfer, or consume alcoholic beverages or any controlled substances in motor vehicles at any time while on Company business regardless of whether they are driving or not driving or whether they are using Company or personal motor vehicles. Violations of any portion of this policy may result in disciplinary action, up to and including immediate termination of employment.

Employees receiving moving violations in Company vehicles must inform the HR or Management immediately. The driver of the vehicle will pay any moving violation. Repeated moving violations may result in discipline or termination.

IN CASE OF AN ACCIDENT: Refer to the "in case of an accident" package in the Company vehicle. General directives:

- Call a police agency immediately.
- Give the other driver or law enforcement authority your name, your driver's license number and the insurance information.
- Take pictures of the accident, if relevant take pictures of surrounding areas, street traffic, and position of the sun or any other relevant areas.
- The driver of the Company vehicle is to report the other driver's information at the earliest possible time to the main office. The information the driver should obtain include but is not limited to:
 - Name of other driver

- Driver's license number of the other driver
 - The license plate number, make, color and type of other vehicle(s) involved
 - The other driver's insurance company and policy number
 - A contact phone number of the other driver
- If a police report is made, obtain the police report number and include in report to HR.
 - When asked any specific questions at the scene of accident, give a specific answer. Be courteous, but at no time are you, or anyone with you in the Company vehicle at the time of the accident, to make any statement regarding the cause of the accident, or to make any statement regarding anyone's culpability or fault.
 - If you receive a ticket for causing the accident, accept it graciously, but say nothing about whose fault the accident was. Everyone must be careful not to say anything that could be harmful to the Company or the driver. Fault will be determined at a later time.

COMPUTER, ELECTRONIC MEDIA, AND EMAIL USAGE POLICY

Employees are expected to use the Company's email, telephone, voicemail, instant message, cell phone/smart phones, and computer systems for Company business and not for personal use. Employees may not access the Internet for personal reasons. Employees should have no reasonable expectation of privacy in Company-supplied property, including, but not limited to, workstations, email services, Internet services, or telephone services. The Company prohibits employees from storing any personal data on any of the Company's electronic communication media or computer systems.

Employees may not use any email, voicemail, or Internet website that may be disruptive, disparaging, abusive, or offensive to others, including, but not limited to, the transmission, receipt, or viewing of sexually explicit messages, cartoons, images, or sounds; ethnic or racial slurs; or anything that may be construed as unlawful harassment or disparagement of others. Employees may not use these items for any purpose that is illegal, against Company policy, or not in the best interest of the Company. Any such inappropriate use may result in disciplinary action, up to and including termination.

The Company reserves the right to regularly monitor an employee's use of its electronic communication media or computer systems, including, but not limited to, the rate and frequency of email communication and/or Internet use. Personal passwords may be used for personal security and does not affect the Company's ownership of the electronic information. At any time and for any reason, the Company may require disclosure of the passwords and override all personal passwords.

SOCIAL MEDIA

The Company recognizes that the internet provides unique opportunities to participate in interactive discussions and share information, including, but not limited to, on particular topics using a wide variety of social media, such as Facebook, LinkedIn, Twitter, Pinterest, Tumblr, blogs and wikis. However, employees' use of social media can pose risks to the Company's confidential and proprietary information, reputation and brand, can expose the company to discrimination and harassment claims and can jeopardize the company's compliance with business rules and laws.

To minimize these business and legal risks, to avoid loss of productivity and distraction from employees' job performance and to ensure that the Company's electronic resources and communications systems are used appropriately as explained below, the Company expects all its

employees to adhere to the following guidelines and rules regarding social media use, both for personal and business use.

The same principles and guidelines found in the Company policies and these basic beliefs apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects members, customers, suppliers, people who work on behalf of the Company or the Company's legitimate business interests may result in disciplinary action up to and including termination.

Personal Use of Social Media

Personal use of social media is never permitted on working time by means of the Company's computers, networks and other electronic resources and communications systems. Do not use the Company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Compliance with Related Policies and Agreements

All of the Company's other policies that might apply to social media use remain in full force and effect. Employees should always adhere to them when using social media. If your social media activity would violate any of the Company's policies in another forum, it will also violate them in an online forum. For example, employees are prohibited from using social media to:

- Violate the Company's Computer, Electronic Media and E-mail Usage policies;
- Violate the Company's Confidentiality;
- Circumvent the Company's Standard of Conduct policies;
- Engage in unlawful harassment;
- Circumvent policies prohibiting unlawful discrimination against current employees or applicants for employment;
- Disparage the Company, fellow employees, customers, members, suppliers or people who work on behalf of the Company;
- Violate the Company's privacy policies (for example, never access private password-protected sites of co-workers or other Company stakeholders without permission); or
- Violate any other laws or ethical standards (for example, never use social media in a false or misleading way, such as by claiming to be someone other than yourself).

Employees should also never provide references or recommendations for co-workers on social or professional networking sites, as such references or recommendations can be attributed to the Company and create legal liability for employees and the Company (such as interference with prospective business contracts and allegations of wrongful termination).

This list is by no means exhaustive and there may be other behavior that is considered inappropriate. Employees who violate the Company's policies may be subject to discipline, up to and including termination of employment.

Protect the Company's Goodwill, Brands and Business Reputation

You are personally responsible for what you communicate in social media. Remember that what you publish might be available to be read by the masses (including the Company itself, future employers and social acquaintances) for a long time. Keep this in mind before you post content.

Make it clear in your social media activity that you are speaking on your own behalf. Write in the first person and use your personal e-mail address when communicating via social media. Never post anonymously to social media sites when your post could be attributed to the Company, its affiliates, employees, customers, business partners, suppliers, vendors or other stakeholders. Anonymous posts can be traced back to the original sender's e-mail address. Follow all guidelines in this policy regarding social media postings.

If you disclose your affiliation as an employee of the Company, it is recommended that you also include a disclaimer that your views do not represent those of your employer. For example, consider such language as "The postings on this site are my own and do not necessarily reflect the views of RK Logistics Group, Inc."

Use good judgment about what you post and remember that anything you say can reflect on the Company, even if you do include a disclaimer. Always strive to be accurate in your communications about the Company and remember that your statements have the potential to result in liability for you or the Company. The Company encourages professionalism and honesty in social media and other communications.

Respect Intellectual Property and Confidential Information

The Company's Confidentiality policy and Non-Disclosure Agreements restrict employees' use and disclosure of the company's trade secrets and confidential information. Beyond these mandatory restrictions, you should treat the Company's trade secrets, confidential information, intellectual property, and other proprietary information about the Company's customers and services as confidential and not do anything to jeopardize or unwittingly disclose them through your use of social media. In addition, you should avoid misappropriating or infringing the intellectual property of other companies and individuals, which can create liability for yourself and for the Company.

Be Respectful of Others

Always be fair and courteous to fellow employees, customers, members, suppliers or people who work on behalf of the Company. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers or by utilizing our Dispute Resolution Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening, or intimidating, that disparage customers, members, employees or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion or any other status protected by law or Company policy.

Supervisors should refrain from trying to connect with their direct reports on social media sites (for example, making friend requests on Facebook). Neither supervisors nor direct reports should feel pressured to accept any requests from anyone at the Company.

Retaliation is Prohibited

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

Media Contacts

Employees should not speak to the media on the Company's behalf. All media inquiries should be directed to the RK Logistics Senior Director Administration.

For More Information

If you have questions or need further guidance, please contact the RK Human Resources department.

This policy is not intended to restrict communications or actions protected or required by California or Federal law.

ATTENDANCE AND PUNCTUALITY

To maintain a productive work environment, it is important that employees attend work as scheduled. When you are absent or late, you create a hardship for your co-workers and you cost the Company additional wages and other expenses.

Employees must notify the Company as soon as possible, but no later than two (2) hours before their start time, if they are unable to report to work, regardless if the reason is sickness, family emergency, car trouble or otherwise. All personnel must call your supervisor and leave a detailed message. All exempt employees must report absences. All non-exempt employees must report all absences and late arrivals.

Please be sure to follow the instructions that you received at new hire orientation for correct numbers to call. If you are unable to leave a message for your supervisor, call RK HR at 925-273-8860 and leave a detailed message.

If an employee does not call to report the absence, he or she will be marked as a No Call, No Show for that twenty-four-hour period. Any verified No Call, No Show may lead to disciplinary action, up to and including termination of employment.

Employees may not have family members call in for them unless they are medically incapacitated or medically unable to speak. If an employee needs to leave work for any reason during the workday, the employee must obtain approval of his or her supervisor prior to leaving. You must call in each day you are out, unless an exception is made by HR, your supervisor, or your manager.

Employees are prohibited from the following:

- Excessive absenteeism and/or tardiness
- Failure to follow policy for reporting an absence
- No Call, No Show to work
- Extended breaks and/or lunches beyond allocated time (There is a two-minute grace period after lunch and breaks)
- Overuse of timesheets versus use of time clock – when time clock is in good working order
- Taking additional breaks beyond what is allowed per Federal, State and local laws and/or regulations.
- A pattern of absences falling on days before and after Holidays, weekends and vacation days.

This list is by no means exhaustive and there may be other behavior that is considered inappropriate. Employees who violate the Attendance policy may be subject to discipline, up to and including termination of employment.

FAILURE TO REPORT – VOLUNTARY TERMINATION

Any employee that fails to report to work for (1) scheduled workday without notice to and/or without written approval by his or her supervisor or manager may receive disciplinary action up to and including termination of employment. Determination will be made by HR and the department director. Additionally, any employee who fails to report to work for (3) scheduled workdays without notice to and/or without written approval by his or her supervisor will voluntarily terminate employment with the Company. Your personnel records will be noted as a “Voluntary Quit - 3 Days No Report.”

PERFORMANCE EVALUATIONS

The Company recognizes the value of performance feedback between you and your supervisor. Your supervisor may review your job performance at least once a year. The performance evaluation will evaluate the strengths and weaknesses of your performance and determine what areas of improvement, if any, are needed. This is also a time in which the employee may set future performance goals with the supervisor. A good performance evaluation does not guarantee a pay raise, nor is it a promise of continued employment.

DRESS AND GROOMING STANDARDS

Because your appearance affects the opinion that others may form of the Company, the Company requests that you dress in accordance with your position and always be neatly attired during work hours or when representing the Company. Employees are expected to be neat, clean and well-groomed while on the job. Clothing must be consistent with the standards for a business environment and must be appropriate to the type of work being performed. Employees must dress appropriately for their various work settings, including office, customer sales, Company functions, or warehouse onsite or offsite.

Management reserves the right to determine appropriateness. Any employee who is improperly dressed will be counseled or may be sent home to change clothes. Violation of this policy may be cause for disciplinary action, which may result in termination.

Specific Guidelines

What not to wear:

- Shorts higher than 3 inches above knee
- Sleeveless or spaghetti strap shirts – any shirt that shows arm pits, or arm pit hair
- No sweat pants
- No see through items
- No shirts with disparaging or pornographic pictures or remarks/logos
- No tights without a shirt that fully covers all private body areas
- No skinny jeans that are skin tight without a shirt that fully covers all private body areas
- Exposing belly or other parts of body other than arms and legs
- No open toed shoes, no shoes with spike heels
- Very long dresses due to safety hazard restrictions

- Any see through tops or dresses
- No excessive jewelry or gang colors and gang emblems
- No gang, motorcycle, or other head bandanas
- Red and blue bandanas on heads or in pockets
- Any gang logo wear on hats, shirts, etc.

Acceptable to Wear:

All employees must be covered from shoulders to knees at all times

Warehouse Personnel:

- Jeans or business casual pants
- T-shirts and business casual long sleeve shirts
- Closed toed shoes (steel toed not required)
- Baseball hats (with no logo or non-gang related logos)

Drivers:

- Presentable and appropriate for weather and to meet safety standards
- Company approved shirts, pants, or shorts may be worn during working hours

Sales Personnel:

- Professional attire appropriate for all customer contact

Office Personnel:

- Professional, business casual attire

SOLICITATION AND DISTRIBUTION

In order to avoid unnecessary annoyances and work interruptions, solicitation by an employee of another employee may only be conducted during non-working hours. Employees who have order forms, pamphlets, or fliers may make a request to HR to post them electronically or on break room bulletin boards at his or her Company facility. The items will be reviewed by the manager of the facility and, if deemed acceptable, will be given written permission to post for no more than two (2) weeks. Employees are responsible for removing their postings.

CONFLICTS OF INTEREST

Situations of actual or potential conflicts of interest involving employees are prohibited at the Company. In particular, intimate involvement (e.g., dating, romantic, or sexual) with a competitor, supplier, or subordinate employee of the Company may impair an employee's ability to exercise good judgment on behalf of the Company or create an actual or potential conflict of interest and is subject to this policy. Employees must immediately divulge intimate consensual relationships, such as of a dating, romantic, or sexual nature (hereinafter "Consensual Relationship") in any of the types of relationships or situations described in this policy, including those with other employees of the Company.

Employees must avoid any relationship or activity that might impair, or even appear to impair, their ability to make objective and fair decisions when performing their jobs. At times, an employee may be faced with situations in which business actions taken on behalf of the Company may conflict with the employee's own personal interests. The Company's property, information or

business opportunities may not be used for personal gain.

Conflicts of interest could arise in the following circumstances:

- Being an employee, consultant, or manager of a competitor, potential competitor, supplier, or contractor, regardless of the nature of the employment, while employed with the Company
- Direct supervision of relatives or family members.
- Owning or having a substantial interest in a competitor, supplier or contractor.
- Accepting gifts, discounts, favors, or services from a customer/potential customer, competitor or supplier, unless equally available to all employees.

Occasionally it may be appropriate to express appreciation to customers by means of a token gift. Examples of token gifts are items with a cash value under \$25.00 that may fall in the category of tickets to athletic or entertainment events, small gift packages, or non-alcoholic beverages. However, the Company does not make it a practice to give gifts to customers and discourages all Officers and employees from regularly accepting gifts from individuals or firms who do business with the Company. Regular gift giving and gifting of higher values may suggest bribery rather than appreciation and could negatively reflect on the image of the Company, and the individual involved. Company preference is that you dine with the customer or attend a small event with them. This shows appreciation, while working to build lasting relationships. Employees and Officers shall avoid situations that could be interpreted as undue influence or bribery.

Employees with a conflict-of-interest question should seek advice from Management. Before engaging in any activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their manager or HR.

WORKPLACE SAFETY

The Company is committed to safety and it is each employee's responsibility to help in the prevention of accidents, as well as to report conditions, which may cause accidents to other employee. Safety is everyone's job.

SAFETY AND HEALTH

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "Safety First".

It is the responsibility of each employee to conduct all tasks in a safe and efficient manner complying with all local, state and federal safety and health regulations and program standards, and with any special safety concerns for use in a particular area or with a customer. By remaining safety conscious, employees can protect themselves and their co-workers. Employees are expected to promptly report all unsafe working conditions, accidents, near misses and injuries to their supervisor/manager or any one superior to them, regardless of how minor so that any potential hazards can be corrected.

It is the responsibility of the employee to complete an Accident and Incident Report for each safety and health infraction that occurs by an employee or that the employee witnesses.

All employees must follow all OSHA regulations and Company safety guidelines. Any employee who is furnished safety equipment by the Company will be required to wear such safety equipment

at all times while doing the work for which the equipment is furnished. Safety equipment furnished by the Company which is damaged or worn out in use will be replaced, provided the worn or damaged equipment is turned in when the new equipment is issued.

The Health and Safety Committee and the safety director shall have the responsibility to develop and the authority to implement the safety and health program in the interest of a safer work environment. The Company conducts periodic safety meetings. Any employee asked to attend a Safety Meeting, must attend as Safety meeting attendance is mandatory for all employees and contractors.

Any violation of this policy may result in employee disciplinary action, up to and including termination.

IN AN EMERGENCY

Your direct supervisor should be notified immediately when an emergency occurs. Emergencies include all accidents, medical situations, bomb threats, other threats of violence, and the smell of smoke. If your direct supervisor is unavailable, contact the nearest member of Management.

Should an emergency result in the need to communicate information to employees outside of business hours, your direct supervisor will contact you. Therefore, it is important that employees keep their personal emergency contact information up to date. Notify your direct supervisor in the event this information changes.

When events warrant an evacuation of the building, you should follow the instructions of your direct supervisor or other Management or building official. You should leave the building in a quick and orderly manner. You should assemble at the pre-determined location as communicated to you by your direct supervisor to await further instructions or information.

Please direct any questions you may have about the Company's emergency procedures to your direct supervisor.

WORKPLACE ENVIRONMENT – PERSONAL HYGIENE AND CLEAN WORK AREAS

Personal hygiene and clean work areas make for a more pleasant, as well as a safer, place to work. Employees should therefore wash their hands before returning to work after visiting the toilet areas and before dispensing any food or beverages at Company functions. Employees in all departments are also asked to help keep the surroundings as neat and orderly as possible. Trash receptacles that are easily accessible are located throughout the building. Please place all litter from lunches, scrap materials, etc., in these receptacles.

WORKPLACE ENVIRONMENT – PARKING AND VISITORS

Employee Parking and Employee Entrance to Company Sites

All employees are expected to park in the parking lots designated for employees. No employee or other person shall park in any area that hinders access to any Company facility or customer project.

All employees are expected to badge in and out of all facilities using a Company issued badge.

All employees shall enter and leave the facilities through designated entrances. Employees may not remain on or return to the premises once they have completed their work. Ex-employees and employees who are on any type of leave of absence, are not permitted on Company premises, except through the prior approval of their supervisor, HR, and by appointment.

The Company recommends that all employees lock their vehicles and avoid leaving valuables where they can be seen. The Company is not responsible for any loss, damage or theft of personal property, or vehicles.

Visitors

All visitors are required to report to the front lobby of each facility, and sign in as a visitor. No employee family members are allowed in facility unsupervised, or on the warehouse floor, unless pre-approved by Management. There are to be no vendors allowed onsite without an escort in facility, unless pre-approved by Management.

It is the intent of the Company to minimize disruption of normal workplace activity, while also ensuring a secure and safe environment for our employees and guests.

It is all employee's responsibility to report any strangers seen entering the facilities and sites, or attempting to do so, immediately to Management or HR.

All employees are to have a badge, in plain sight, and all Visitors are to have a facility issued Visitor badge.

Regulatory Visitors

All employees in the office area, and near front entrances that welcome visitors are to refer to the regulatory agency contact list that is posted at those sites, to determine appropriate contacts for visits. If any question on procedure, immediately contact Senior Management official for direction.

Anyone who enters our facility must be asked who they are, where they are from, and whom they are here to see.

VIOLENCE PREVENTION

The Company is committed to providing a violence-free and safe work environment. All employees are prohibited from engaging in any violent behavior in the workplace. Such behavior includes, but is not limited to, brandishing a weapon, knife, or other dangerous object that could potentially harm others; physical violence or threats of violence; fighting; horseplay; verbal threats of violence; and any intimidating behavior.

Employees are required to report all threats of violence as soon as possible to their supervisor or to any other supervisor. Employees should not place themselves in peril, nor should they attempt to intercede during an incident. All suspicious individuals or activities should be reported as soon as possible. On receiving a report of any suspected violence, the Company will undertake a prompt investigation and take appropriate corrective action.

SMOKING IN THE WORKPLACE

Our Company is committed to providing a safe and healthy environment for employees and visitors. We are a smoke free workplace! To provide our employees with a tobacco-free environment, this policy covers the smoking of any tobacco product, use of oral tobacco products,

and use of “e-cigarettes.” Smoking is allowed only in designated areas outside the building and for limited designated rest times during the work day. Employees may not smoke in or within fifty (50) feet of trucks, company owned vehicles, warehouses, or company office buildings. Employees must follow the customer’s policies and job site regulations when on a customer site.

The smoke-free workplace policy applies to:

- All areas of the Company buildings.
- All Company sponsored off-site conferences and meetings.
- All vehicles owned or leased by the Company
- All visitors (customers and vendors) to the Company premises.
- All contractors and consultants and/or their employees working on the Company premises.
- All employees, temporary employees and student interns.

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

DRUGS AND ALCOHOL POLICY

The Company is a drug-free, alcohol-free environment. Employees may not report to work under the influence of drugs or alcohol. The Company reserves the right to search, without consent and without notice, all areas and property in which the Company maintains control or joint control with the employee for drugs and alcohol.

Employees reasonably believed to be under the influence of alcohol or drugs may be required to submit to drug and alcohol testing. The legal use of controlled substances, such as prescription drugs prescribed by a licensed physician or over-the-counter medications, is not prohibited by this policy. Employees must also follow the Company’s Controlled Substance & Alcohol Policy, which further supplements this policy.

MEDICAL EXAMINATIONS

Employees may be required to take medical examinations as a condition of employment or for continued employment in certain circumstances and as permitted under state and federal laws. A medical exam may be required after a conditional offer of employment has been made to an applicant in certain job positions. In addition, the Company may require a medical examination to determine whether or not the employee is able to perform the essential function of a job or in certain situations to assess the employee’s fitness for duty in accordance with federal and state laws.

WORKER’S COMPENSATION CLAIMS

Notify your supervisor immediately if you are involved in an on-the-job injury. The supervisor will assist you in seeking medical care and in filling out a worker’s compensation claim. The Company is legally obligated to report work-related injuries to its worker’s compensation carrier within certain time frames, even if medical care is not needed. It is mandatory for all employees to report work-related injuries.

If you are injured, the Company may send you to a physician for medical treatment unless you notify the Company in writing that you wish to see your own physician.

TERMINATION

SEPARATION

Separation of employment within the Company can occur for several different reasons.

- **Resignation:** Although we hope your employment with us will be a mutually rewarding experience, we understand that varying circumstances cause employees to voluntarily resign employment. Resigning employees are encouraged to provide two weeks' notice, preferably in writing, to facilitate a smooth transition out of the Company.
- **Retirement:** Employees who wish to retire are encouraged to notify their supervisor and HR in writing at least one (1) month before the planned retirement date. Information about Benefits and 401k can be obtained through HR and Payroll prior to the retirement date.
- **Job abandonment:** Any employee who is a no call, no show after (1) work day may receive disciplinary action up to and including termination of employment. This will be effective after HR determination of cause, and non-reporting to work.
- Employees who fail to report to work or contact their supervisor for three (3) consecutive workdays (no call, no show), shall be considered to have abandoned the job without notice, effective at the end of their normal shift on the third day. The supervisor shall notify HR at the expiration of the third workday and initiate the paperwork to terminate the employee. Employees who are separated due to job abandonment are ineligible to for rehire.
- **Termination:** Employees of the Company are employed on an at-will basis, and the Company retains the right to terminate an employee at any time.

SEPARATION PROCEDURES

All Company property, including, but not limited to, supplies, keys, building/parking access cards, manuals, written materials, business cards, client data, client lists, collateral materials, cellular telephones, tools, computer equipment, both hardware and software, and all other Company property must be returned immediately upon request or upon termination of employment. Company property not returned will be classified as stolen and reported to the local authorities to pursue legal action.

At termination, the Company will provide you with your final paycheck, including payment for all accrued but unused Vacation Time or PTO, if applicable. You and your dependents may also have a right to continue your group medical benefits temporarily under COBRA.

NOTICE OF MEAL AND REST PERIOD RIGHTS

RK Logistics Group, Inc. (the "Company") recognizes that meal and rest periods are an important part of the workday and employees perform at their best when they have the rest and nourishment they need. In compliance with federal and state laws, the Company provides its employees with meal and rest periods as follows:

Meal Periods

Meal periods are provided according to the following schedule:

Work Hours in Workday	Number of Meal Periods
0 - 5	0
5 - 10	1
More than 10	2

The Company affords each of its non-exempt employees a thirty (30) minute off duty, unpaid meal period for each work period of more than five (5) hours in a workday, in accordance with California and Federal laws. Employees who work more than ten (10) hours in a workday are entitled to two (2) thirty (30) minute off duty, unpaid meal periods. Employees are relieved of all duties and are free to leave the premises during meal periods. Because meal periods are unpaid, employees must record the start and stop time for each meal period.

Meal periods are intended to be taken during the middle of the employee's work shift for the day, whenever possible. Meal periods are to be taken as required during each five (5) hour work period. In particular, when an employee works for a work period of more than five (5) hours, a meal period must be taken no later than the end of the employee's fifth hour of work (in other words, no later than the start of the employee's sixth (6th) hour of work). When an employee works for a period of more than ten (10) hours, a second meal period must be taken no later than the end of the employee's tenth (10th) hour of work (in other words, no later than the start of the employee's eleventh (11th) hour of work).

The Company provides its employees with such meal breaks even if the Company does not remind its employees to take them. If an employee chooses to work through their off duty meal period, the Company will not owe that employee any premium pay because the Company is relinquishing control over its employees for each off duty meal period.

Rest Periods

Rest periods are provided according to the following schedule:

Work Hours in Workday	Number of Rest Periods
0 to 3.5	0
3.5 to 6	1
6 to 10	2
10 to 14	3

Non-exempt employees are entitled to a paid fifteen (15) minute rest period for each four (4) hour work period in a workday, or a major fraction thereof. To the extent possible, rest periods

should be taken near the middle of each four (4) hour work period. Because rest periods are paid, employees should not clock out before a rest period.

Employees may not accumulate rest periods or use rest periods as a basis for starting work late, leaving work early, or extending a meal period. Rest periods should be taken to serve the purpose of assuring rest during the middle of each aforementioned work period.

* * *

Employees that feel they are unable to take a duty free meal period or a rest break for any reason should immediately notify their supervisor or Management and HR.

Any employee, supervisor, or manager who fails to observe this policy is subject to discipline, up to and including termination.

ACKNOWLEDGEMENT:

I acknowledge that I have received and read this Notice of Meal and Rest Period Rights, and I understand my rights to take meal and rest periods as described in this policy. I acknowledge, understand, and agree that I must notify, in writing, my supervisor or any member of Management and HR immediately if I am required to work through some or all of a timely thirty (30) minute meal period or fifteen (15) minute rest period, or if I am unable to take my meal or rest periods for any reason.

Employee Name (Print)

Employee Signature

Date: _____

**ACKNOWLEDGEMENT OF RECEIPT OF
EMPLOYEE HANDBOOK**

I acknowledge that I have received a copy of RK Logistics Group, Inc.'s (the "Company") employee handbook ("Handbook"), have read it, and understand its provisions. I further understand that if I have a question, I am obligated to ask my supervisor for any clarification of any provision in the Handbook.

I further understand that the statements contained in the Handbook do not create any contractual or other legal obligations of employment. I also understand that the Company may at any time modify, rescind, or revise any policy, benefit, or practice described in the Handbook, except for its policy of at-will employment.

I understand and agree that my employment with the Company is at-will and can be terminated by either me or the Company without cause or notice and that nothing in this Handbook should be interpreted to the contrary. This is the entire agreement between me and the Company on this subject; it supersedes any prior inconsistent representations or agreements and may only be modified in writing signed by me and the Company's President.

I acknowledge that it is my responsibility to read and become familiar with the contents of the Handbook.

Employee Name (Printed): _____

Employee Signature: _____ Date: _____