



**SUNSTATES  
SECURITY**

# **EMPLOYEE POLICY AND PROCEDURE HANDBOOK**

**Sunstates Security, Inc. 2021**

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## **I. INTRODUCTION**

### **WELCOME FROM THE PRESIDENT**

Welcome to Sunstates Security, Inc. (“Sunstates” and/or the “Company”). A lot of effort went into the hiring process resulting in you becoming a Sunstates’ team member and we want you to feel like part of our team right from the start. Without you, the service that we provide would not be possible. The secret to our success is delivering quality security service to our customers. It is the employee who represents the Company, and we take pride in our team members, as well as the products and services that we provide. We hope this Handbook will help you understand the Customer and Company requirements.

Kathy and I are extremely proud of this Company and the team members that have assisted us in becoming one of the best national security companies. We welcome you to our team and hope that you will be successful in your important role. You will join many others before you who have embraced our special culture to be long term team members, many of whom have gone on to become supervisors and managers. As a Company, we are especially pleased when a team member gets promoted. We always focus on promoting from within whenever possible. To be successful, you must be disciplined and customer service oriented. This employee handbook is the guiding principle from which to begin your journey with Sunstates.

With your help, you will find that your employment will be both challenging and rewarding. With everyone working toward the common goal of customer satisfaction, we hope to help you accomplish your own goals, while striving to achieve overall Company success.

Yours in Service,

A handwritten signature in dark ink, reading "Glenn P. Burrell". The signature is written in a cursive, flowing style.

Glenn P. Burrell, CPP  
President

## **SUNSTATES SECURITY'S HISTORY**

Glenn Burrell and Kathy Burrell started Sunstates Security in 1998 with a commanding knowledge of how security has evolved and will be challenged in the future. This Company was built upon Glenn's many years of engagement with some of the most elite law enforcement agencies in the world, including Scotland Yard and the elite Royalty Protection Unit, guarding the Queen's private estate and her family. From its first 30 employees, Sunstates now employs a team of world-class security professionals. One of the highest client retention rates in the industry is among many reasons for this responsible growth. A purposefully accountable on-site management structure, trainers with high-powered backgrounds and the ability and means to attract only the best professionals have also been key to expansion.

## **VISION STATEMENT**

We will grow strategically and organically while cultivating a reputation for exceeding our clients' needs and expectations. Our goal is to change the way clients think about safety and security by going "above and beyond" every day, basing all decisions on our guiding principles: honesty, integrity and trust.

## **MISSION STATEMENT**

To provide superior security services by always putting the client first; maintaining clear, continuous communication; and remaining true to our guiding principles:

- **Honesty** towards our clients, employees, vendors and partners
- **Integrity** to honor our commitments and always do what we say
- **Trust**, ensuring that our clients and employees can count on us

## **DESCRIPTION OF EMPLOYEE HANDBOOK**

This Employee Handbook ("Handbook") contains information about the employment policies and practices of the Company. We expect each employee to read this Handbook carefully as it is a valuable reference for understanding your job and the Company.

This Handbook supersedes all previously issued Employee Handbooks and inconsistent verbal or written policy statements. Except for the policy of at-will employment, which can only be changed by the President of the Company, Glenn P. Burrell (the "President"), in a signed writing, the Company reserves the right to revise, delete, and add to the provisions of this Handbook. All such revisions, deletions, or additions must be in writing and must be signed by a Corporate Officer of the Company. No oral statements or representations can change the provisions of this Handbook.

This Handbook supersedes all those previously issued. From time to time, the Company may change or discontinue certain policies, practices, and/or benefits contained in this Handbook, without prior notice to you, at the discretion of the Company. When such modifications are made, the Company may issue paper or electronic supplements to this Handbook instead of reprinting the entire Handbook. These supplements will have the same force and effect as if printed in this Handbook, and will supersede any contrary or previous policy contained in this Handbook.

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

Not all Company policies and procedures are necessarily set forth in this Handbook. This Handbook is only a guide and it does not address every situation that may arise; therefore, is not intended to serve as an exhaustive set of rules. Where instructions are not provided, or if you have questions about what is expected of you, it is your responsibility to ask for the information and to seek assistance from your supervisor, regional manager, or Human Resources/Legal.

This Handbook applies to all employees and as such is to be read by everyone. There may be Addendums to the Handbook which apply to specific positions and need to be read only by the employees hired for, or promoted to, those positions. If you transfer to another position you are required to review and become familiar with the Addendum to the Handbook that applies to your position. Supervisors and other staff may be governed by or called upon to enforce overlapping Handbook and Addendum provisions and should read all of them, to be familiar with all aspects of our operations.

We take great pleasure in bringing you on board and presenting you with this Handbook. If you have questions or require clarification regarding your employment or any provision of this Handbook, please feel free to contact your supervisor, regional manager, or Human Resources/Legal.



## **II. GENERAL EMPLOYMENT POLICIES**

### **SECTION 1: EMPLOYMENT RELATIONSHIP**

#### **1.1. At-Will Employment**

While we hope that your employment will prove mutually satisfactory, please understand that continued employment cannot be guaranteed for any employee. No permanent employment or employment for any term is intended or can be implied from any statements in this Handbook. Employment at the Company is “at-will”. This means that you are free to leave your employment at any time, with or without cause or notice, and the Company retains the same right to terminate your employment at any time, with or without cause or notice.

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

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

#### **1.2. Equal Employment Opportunity Employer**

The Company is an equal opportunity employer and makes employment decisions on the basis of merit. It does not unlawfully discriminate against qualified applicants or employees with respect to any terms or conditions of employment based on race, including hairstyles associated with race, color, national origin, ancestry, sex, gender, transgender status, gender identity, gender expression, age, sexual orientation, age, religion or creed, including religious dress and grooming practices, physical or mental disability, requesting accommodation for disability or religious beliefs, medical condition, pregnancy, childbirth, breastfeeding or related medical conditions, marital status, registered domestic partner status, citizenship status, military or veteran status, genetic characteristics or information, or any other basis protected by applicable federal, state, or local law. Equal employment opportunity will be extended to all persons in all aspects of the employer-

employee relationship, including recruitment, hiring, upgrading, training, promotion, transfer, discipline, layoff, recall and termination.

### **1.3. Immigration Law Compliance**

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

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

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

### **1.4. Disability Accommodation**

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

Any qualified applicant or employee with a disability who requires an accommodation in order to perform the essential functions of the job should contact their supervisor, regional manager, or Human Resources/Legal to request such an accommodation. The Company will engage in the interactive process with the individual to determine if there is a reasonable accommodation that may be provided to enable the employee to perform the essential functions of the position or to identify a different position that the individual might perform with or without accommodation, to the extent that doing so would not create an undue hardship for the Company. The individual with the disability should specify what accommodation the employee needs to perform the job. The Company will review the request and will identify possible reasonable accommodation(s), if any, that will allow the individual to perform the essential functions of the job. If there is more than one reasonable accommodation that will not impose an undue hardship, the Company will identify and select the accommodation(s) that will be made for the applicant or employee.

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

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

## **No Retaliation**

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

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

## **1.5. Religious Accommodation**

If an individual believes they need an accommodation because of their religious beliefs or practices or lack thereof, they should request an accommodation from their supervisor, regional manager, or Human Resources/Legal. The individual may make the request orally or in writing. The Company encourages employees to make their request in writing and to include relevant information, such as:

- A description of the accommodation being requested.
- The reason the individual needs an accommodation.
- How the accommodation will help resolve the conflict between the employee's religious beliefs or practices or lack thereof and one or more of the employee's work requirements.

After receiving the employee's oral or written request, the Company will engage in a dialogue with the employee to explore potential accommodations that could resolve the conflict between the employee's religious beliefs and practices and one or more of the employee's work requirements. The Company encourages employees to suggest specific reasonable accommodations that employees believe would resolve any such conflict. However, The Company is not required to

make the specific accommodation requested and may provide an alternative, effective accommodation, to the extent any accommodation can be made without imposing an undue hardship on the Company.

### **Supporting Information**

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

### **Determinations**

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

The Company strives to make determinations on religious accommodation requests expeditiously, and will inform the individual once a determination has been made. Any questions about an accommodation should be directed to one's supervisor, regional manager, or Human Resources/Legal.

### **No Retaliation**

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

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

## **1.6. Lactation Accommodation**

Employees who wish to express breast milk while at work may request an accommodation in writing to their supervisor, regional manager, or Human Resources/Legal. A response will be provided to the employee's request in writing on the same document the employee submits. The Company will make reasonable efforts to accommodate eligible employees by allowing them to express breast milk in a private area, free from intrusion, other than a bathroom, in close proximity to the employee's work area. Where an employee has a private office, it may be used for that purpose. Such space will meet the requirements of the California Labor Code, including a surface to place a breast pump and personal items, a place to sit, access to electricity, a sink with running water, and refrigeration to store breast milk.

Employees can exercise this privilege during their normally scheduled break periods, and if not, non-exempt employees may have additional reasonable time but must clock out for any additional breaks needed, as they will be unpaid.

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

### **1.7. Requests for Medical Certification**

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

## **SECTION 2: COMMENCING EMPLOYMENT**

### **2.1. California Consumer Privacy Act Compliance**

As your employer, we are collecting data on job applicants and employees solely for employment purposes. We have physical and electronic security measures in place to safeguard this information. Further, effective January 1, 2020, all job applicants and employees will be provided a notice entitled "California Privacy Rights Notice for Job Applicants." In addition, as of January 1, 2020, all current employees will be provided with a similar notice. If you have any questions regarding this policy, please contact your supervisor, regional manager, or Human Resources/Legal.

### **2.2. Background Checks**

The Company recognizes the importance of maintaining a safe workplace with employees who are honest, trustworthy, qualified, reliable, nonviolent, and do not present a risk of harm to their co-

workers or others. For purposes of furthering these concerns and interests, the Company reserves the right to investigate an individual's prior employment history, personal references, and criminal and educational background, as well as other relevant information that is reasonably available to the Company to the extent permitted by law. The Company complies with the requirements of the California Fair Chance Act with respect to criminal background checks in employment.

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

### **2.3. Introductory Period**

All new, promoted and rehired employees are required to serve an introductory period for the first 90 calendar days of their employment. The purpose of the introductory period is to provide you with the opportunity to become adjusted in your new position, also, for you to get to know the Company, and for the Company to work with you and evaluate your performance. The Company reserves the right to extend the duration of the introductory period when, in the Company's sole and absolute discretion, such an extension is determined appropriate. Completion of the introductory period does not entitle an employee to remain employed by the Company for any definite period of time, but rather allows both the employee and the Company to evaluate whether or not the employee is right for the position. The introductory period is an evaluation period and does not supersede at-will employment, both during and after the introductory period. All personnel policies, work rules, and standards of conduct apply to employees during their introductory period.

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

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

### **2.4. Employment Status**

Employees at the Company are classified as full-time nonexempt, part-time nonexempt, or exempt. This status may change as business conditions change or when an employee transfers to another position. If you are unsure of your current employment status, please contact your supervisor.

- a) Full-Time Nonexempt Employees:** For all purposes other than health insurance coverage, full-time nonexempt employees are those who are normally scheduled to work and who do

work a schedule of 30 or more hours per week. Full-time nonexempt employees, for purposes of health insurance coverage only, are those employees who are normally scheduled to work and who do work a schedule of 30 or more hours per week. Full-time nonexempt employees are eligible for the employee benefits described in this Handbook.

- b) Part-Time Nonexempt Employees:** For all purposes other than health insurance coverage, part-time nonexempt employees are those who are scheduled to and do work less than 40 hours per week. Part-time nonexempt employees, for purposes of health insurance coverage only, are those employees who are scheduled to work and who do work less than 30 hours per week. Part-time nonexempt employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time employees will enjoy those benefits specifically required by law, provided they meet the minimum requirements set forth by law and in the benefit plans.
- c) Exempt Employees:** Exempt employees are those whose job assignments meet the legal requirements for overtime exemption. Exempt employees are compensated on a salary basis and are not eligible for overtime pay, nor are they required to receive the meal and rest periods provided for non-exempt employees. Generally, executive, administrative, professional, and certain outside sales employees are overtime exempt. Exempt employees are eligible for the employee benefits described in this Handbook. Your supervisor will inform you if your status is exempt.

## **2.5. Job Duties**

As part of your initial orientation, you will learn the various duties and responsibilities of your job. You may be provided with a copy of the written job description for your individual position. The Company maintains certain expectations and standards applicable to your job position. Your supervisor will review these with you.

It is expected that employees will perform additional duties and assume additional responsibilities as needed by the supervisor for the efficient operation of the Company.

In order to adjust to changes in our business, it may become necessary to modify your job description, add to or remove certain duties and responsibilities, or reassign you to an alternate job position.

## **2.6. License and Registration Requirements**

All Sunstates personnel are responsible for complying with state laws and regulations regarding licensing and registration. For many positions, maintaining a current state-issued security license and/or registration is a requirement for continued employment. If you are required to be licensed/registered to perform your job, your license/registration must be maintained valid/current,

kept with you, and available for inspection at all times while on duty. Failure to possess a valid state specific license may result in immediate termination.

## **2.7. Conflicts of Interest**

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

- Accepting personal gifts or entertainment from competitors, customers, suppliers, or potential suppliers;
- Engaging in self-employment in competition with the Company;
- Using proprietary or confidential Company information for personal gain or to the Company's detriment;
- Having a direct or indirect financial interest in or relation with a competitor, customer, or supplier;
- Acquiring any interest in property or assets of any kind for the purpose of selling or leasing it to the Company; and
- Committing the Company to give its financial or other support to any outside activity or organization without appropriate written authorization.

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



## **2.8. Employment of Relatives**

The Company does not maintain a strict policy that prohibits the employment of relatives in all circumstances. However, there are significant restrictions on the employment of relatives under some circumstances. For example, the Company may refuse to place one relative under the direct supervision of another relative for business reasons of supervision, safety, security, or morale. For the same reasons, the Company may refuse to place both relatives in the same location or functional area of the business if the work involves conflicts of interest that are greater for relatives than for other individuals.

"Relatives" include an employee's parent, grandparent, spouse or domestic partner, siblings, children, children of your spouse or domestic partner, in-laws, and step- relationships.

## **2.9. Non-Fraternization**

### **Managers and Supervisors**

The Company desires to avoid misunderstandings, complaints of favoritism, possible claims of sexual harassment, and employee morale and dissention problems that can potentially result from personal or social relationships involving managerial and supervisory employees at the Company. Accordingly, managers and supervisors are prohibited from fraternizing or becoming romantically involved with one another or with any subordinate employee in their chain-of-command or with any non-management employee of a facility owned or operated by the Company.

Any relationship that interferes with the company culture of teamwork, the harmonious work environment or the productivity of employees, may be subject to disciplinary action. Adverse workplace behavior or behavior that affects the workplace that arises because of personal relationships will not be tolerated.

All employees should also remember that the Company maintains a strict policy against unlawful harassment of any kind, including sexual harassment.

## **2.10. Performance Evaluations**

Sunstates Security believes that good performance should be acknowledged as it occurs, and deficiencies, if any, should be corrected before bad habits develop; thus, feedback on performance should occur on a frequent basis.

Evaluations are based in part on compliance with guidelines described in this Handbook, in addition to the performance of job competencies as defined by the job description and client guidelines. Additional areas of observation include attendance, tardiness, dependability, attention to detail, recordkeeping and attitude.

Performance evaluations are intended to be constructive in nature and will become a part of the employee's permanent personnel file. Performance reviews may or may not accompany a salary review or increase. If you have questions or concerns about your performance, job duties etc., please contact your Supervisor.

### **2.11. Transfers and Promotions**

Sunstates encourages employees to apply for higher-level positions or lateral transfers for which they qualify. Sunstates has a job posting program that offers current employees the opportunity to apply for other positions within the Company.

Each employee requesting a transfer or promotion will be considered for the new position along with all other applicants.

External candidates will also be considered; however, it is the preference of Sunstates to offer promotion to qualified candidates from within the Company.

### **2.12. Service Awards**

Sunstates Security is proud of our tenured team members and we want to recognize their loyalty. All full-time and part-time employees will be recognized at 5, 10, 15, and 20 years of service. Rewards may include a monetary bonus, certificate of appreciation, and a picture in the employee newsletter.

### **2.13. Personnel Record Policy**

Personnel records are confidential and are the property of Sunstates Security. Employees may review documents in their personnel file with seven days written notice to Human Resources; however, no copies of materials in the personnel file are permitted except for legitimate business reasons. Employees may have copies of their health/medical records. To obtain copies of any health-related records, if applicable, submit a request in writing to your Supervisor or Human Resources.

To keep personnel and benefit records current, it is your responsibility to inform your Supervisor of any changes in tax withholdings, beneficiary changes, name changes, dependents, and marital status. You are able to update a change in address, telephone number, email address, or emergency contact information in eHub. Please see the section below on eHub in order to quickly and conveniently access information and forms online to keep your information current. You are required to have access to a working telephone number at all times while employed with Sunstates. There is no requirement to divulge sensitive or personal information to your Supervisor if you are uncomfortable in doing so. In this case, inform your Supervisor about your change in circumstances and you will be directed to the appropriate Sunstates department for action.

## SECTION 3: PAYROLL POLICIES

### 3.1. Working Hours and Schedule

The working hours and schedule for an employee varies, depending on the employee's department.

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

Work hours are negotiated with customers and within departments to ensure that there is no interference with the completion of work for each particular department activity. If you would like to change your work hours, talk with your supervisor.

### 3.2. Rest Breaks

Under California law, non-exempt employees are authorized and permitted to take certain rest breaks. Each rest break is an uninterrupted period of net 10 minutes. Non-exempt employees are entitled to one rest break for each increment of four (4) hours of work, or major fraction thereof. A major fraction is considered anything more than two (2) hours. However, if an employee's total daily work time is less than three and one-half (3½) hours, a rest period need not be authorized.

The number of authorized rest periods an employee is permitted to take in any one work day is based on the total hours worked per work day. The following chart provides an example of the number of rest periods employees are authorized and permitted to take based on the number of hours worked in a day:

Hours Worked in One Work Day	Number of Authorized Rest Periods
Under 3 ½ hours	0
3½ hours to 6 hours	1
More than 6 hours to 10 hours	2
More than 10 hours to 14 hours	3

The following are additional rules regarding rest breaks:

- a) Each rest break is net ten (10) minutes.
- b) Rest breaks should be taken as close to the middle of each four hour work period as possible, but the employee must allow flexibility due to the work being performed, as

determined by an employee's supervisor. There are circumstances when the rest period will not be in the middle of each four hour work period.

- c) Rest breaks may not be combined with, or added to an employee's meal period.
- d) Rest breaks will generally not be permitted at the beginning or end of an employee's shift and may not be used to justify an employee's late arrival or early departure from work.
- e) Rest breaks are paid as time worked.
- f) Employees are free from all duties and are not required to remain on call or on the premises during rest breaks.
- g) Employees must turn off all communications devices insofar as they are used to conduct business-related work (i.e. cell phone, radio, pager, etc.) and must leave such devices at their post during rest breaks.
- h) Employees who work through their rest breaks may be disciplined.
- i) From time to time, due to client needs, an employee may be asked to interrupt their rest periods, assist the client and take their rest period at a later time.

**EMPLOYEES ARE REQUIRED TO NOTIFY THEIR SUPERVISOR OR THE REGIONAL MANAGER ANYTIME AN EMPLOYEE IS NOT PERMITTED TO TAKE THEIR REST BREAKS OR BECOMES AWARE THAT OTHER EMPLOYEES ARE NOT BEING PERMITTED TO TAKE THEIR REST BREAKS.**

### **3.3. Off-Duty Meal Periods**

Non-exempt employees are authorized and permitted to take unpaid off-duty meal periods depending on the length of each shift. Each meal period is an uninterrupted period of 30 minutes in which you are relieved of all duty. You are entitled to one meal period for each shift in which you work more than five (5) hours in any work day. A meal period will be provided for every 5 hours of consecutive work. If your total daily work time is less than five (5) hours, a meal period need not be authorized. If your total daily work time is less than six (6) hours, you may waive your meal period as directed below.

The number of off duty meal periods you are permitted to take in any one work day is based on the total hours worked per work day. The following chart, while not exhaustive, provides an example of the number of unpaid meal periods you are authorized and permitted to take based on the number of hours you work in any work day:

<b>Hours Worked in One Work Day</b>	<b>Number of Authorized Meal Periods</b>
0 hours to 5 hours	0
More than 5 hours to 6 hours	1 but may waive
More than 6 hours to 10 hours	1
More than 10 hours to 16 hours	2

The following are additional rules regarding off duty meal periods:

- a) Meal periods should be taken as close to the middle of each shift as possible, but the employee must allow flexibility due to the work being performed, as determined by an employee's supervisor. There are circumstances when the meal period will not be in the middle of each shift.
- b) Meal periods may not be combined with, or added to an employee's rest periods.
- c) Meal periods will generally not be permitted at the beginning or end of an employee's shift and may not be used to justify an employee's late arrival or early departure. Employees may not elect to work through their meal period in an attempt to modify their scheduled shifts by either starting later or leaving earlier. Employees must work their full scheduled shifts and must clock out for scheduled off duty meal breaks.
- d) Meal periods must begin before the start of the employee's sixth (6<sup>th</sup>) hour of work for shifts less than ten (10) hours and before the beginning of the eleventh (11<sup>th</sup>) hour for shifts in which the employee is entitled to a second meal period lasting longer than twelve (12) hours.
- e) An employee may waive their right to a meal period **only** if their total hours worked in any work day is less than six (6). Any such waivers must be in writing and provided to the employee's supervisor before the start of the employee's shift.
- f) Employees must turn off all communications devices insofar as they are used to conduct business-related work (i.e. cell phone, radio, pager, etc.) and must leave such devices at their post during meal breaks.
- g) Employees who work through their meal period may be disciplined if, as a result, they work unauthorized overtime.
- h) An employee's meal is to be eaten in designated areas only or off the work site premises.

Employees are relieved of all duties during the meal periods and the Company relinquishes all control over the employees' activities.

Employees must clock out at the start of their meal period and clock in at the end of their meal period. Employees are free to leave the work premises during their meal period.

With respect to the meal period, employees will be provided with sufficient time to perform any necessary conclusory and/or preparatory activities. Employees must be on-the-clock while performing any and all conclusory and/or preparatory activities before and/or after the meal period.

Any abuse of the off-duty meal period policy will be subject to disciplinary action, up to and including termination.

**EMPLOYEES MUST NOTIFY THEIR SUPERVISOR OR THE REGIONAL MANAGER IMMEDIATELY ANYTIME AN EMPLOYEE IS NOT PERMITTED TO TAKE ONE OR MORE OF THEIR MEAL PERIODS OR BECOMES AWARE THAT OTHER EMPLOYEES ARE NOT BEING PERMITTED TO TAKE THEIR MEAL PERIODS.**

### **3.4. On-Duty Meal Periods**

Many of our jobsites prevent our security personnel from being relieved of all duties during their meal periods. When the nature of the work at a particular job site on a particular shift prevents an employee from being relieved of all duties during the meal period, the employee and the Company may agree to an on-duty meal period by signing an On-Duty Meal Period Agreement. This Agreement can be revoked by either the employee or the Company in writing, at any time. The employee will then be paid for the meal period, but will not be relieved of duty during that time.

Unless an employee signs an On-Duty Meal Period Agreement and the nature of the post prevents the employee from being relieved of all duties, the employee is provided with an uncompensated off duty thirty (30) minute meal period as stated above.

Employees are not required to agree to an on-duty meal period. However, at any given time, the Company may not have any open posts that allow for an off-duty meal period. On-Duty Meal Period Agreements must be in writing and approved by Human Resources/Legal.

Failure to follow meal period policies is grounds for disciplinary action, up to and including termination.

### **3.5. Recovery Cool-Down Periods**

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

### **3.6. Timekeeping Procedures**

All nonexempt employees must record all time worked on a manual time card or electronically, as directed by the Company. Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require the Company to keep accurate records of time worked for each nonexempt employee. Non-exempt employees are required to accurately record all time worked by filling out their weekly timesheets daily. Time records must be completed by the last Friday of the payroll period to be considered for payroll. In particular, employees must:

- a) Enter the time they start working at the beginning of their shifts, before performing any work;
- b) Enter the time out at the end of their shifts and refrain from performing any work after they have done so;
- c) Enter the time they clock out at the beginning of each meal period;
- d) Enter the time they clock in when returning from each meal period;
- e) Punch in and out to record any departure from work for any non-work-related reason.
- f) Ensure that timesheets are entered into the system and are complete and accurate at the end of each shift.

You are to complete your own time record and no one else's time record. It is your responsibility to clock-in and clock-out on your time sheet for every shift you work. You may not begin working, including the performance of "preparatory activities," until you have clocked in. In addition, you must remain on the clock while performing any "conclusory activities."

#### **Floating Officers**

Those officers hired to fill positions and absences at multiple locations, will maintain one timesheet and will report the site/location each day on that timesheet, which will be submitted to their supervisor for payroll and billing. Employees not classified as "floaters" working at sites that are not the home site; that is, the site you are regularly assigned to, must fill out a timesheet at that site and leave it there to be processed with that site's payroll and billing.

**FAILURE TO PROPERLY AND ACCURATELY RECORD YOUR TIME AND/OR FALSIFICATION OF TIMESHEETS WILL SUBJECT YOU TO DISCIPLINARY ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT.**

### **3.7. No Work Performed Outside Normal Working Hours**

Non-exempt employees are strictly prohibited from performing "off-the-clock" work outside of their normal schedule and/or while away from the workplace, including any preparatory and/or conclusory work at the beginning and end of the workday, unless authorized by their supervisor. In the event an employee does perform any work while away from the workplace or outside of

their normal scheduled business hours, they must record this work time on their timesheet and inform their supervisor immediately. Work covered by this provision could include business-related phone calls and emails. It is the employee's responsibility to clock in and clock out on the time record for every shift the employee works. Employees may not begin working until they have clocked in and may not do any work after they have clocked out. Working "off-the-clock" for any reason is a violation of Company policy.

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

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

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

### **3.8. Overtime**

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

Nonexempt employees will be paid time and one-half compensation for all hours worked in excess of eight hours in one workday, 40 hours in one workweek and for the first eight hours on the seventh consecutive day of work in a single workweek. Double time will be paid for hours worked in excess of 12 hours in one workday and in excess of eight hours on the seventh consecutive day of work in a single workweek.

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



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

For the purposes of calculating overtime for nonexempt employees, the workweek begins on Friday at 12:01 a.m. (0001 hours) and ends on the following Thursday at 11:59 a.m. (2359 hours).

Nonexempt employees cannot waive their rights to overtime pay. No overtime work may be performed off-the-clock. Employees who believe that their overtime hours have not been recorded and/or they have not been paid properly for all overtime hours worked should bring their concerns immediately to the attention of their supervisor, regional manager, or Human Resources/Legal.

### **3.9. Shift Changes**

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

### **3.10. Pay Periods and Paydays**

Paydays are every Friday for all employees. Wages are paid on a weekly basis, unless otherwise permitted by applicable law. If payday falls on a holiday and the office is closed, employees will be paid on the day before the regularly scheduled payday. Time records must be completed by the last Friday of the payroll period to be considered for payroll. Check eHub and if you notice errors in your pay or have issues with the tracking of your time, contact your Supervisor immediately. There are no payroll advances or loans. All questions related to compensation are to be directed to your Supervisor.

### **Direct Deposit**

As a condition of employment at Sunstates Security, ALL employees are required to participate in payroll direct deposit; either through their own banking institution or through the “Visa® Paychek Plus” card. Electronic direct deposit offers paycheck security and ensures that an employee’s pay is immediately deposited and available in their bank account on payday, even if the employee is out sick or on vacation.

Paychecks will be delivered via direct deposit, available for pickup at head office, or delivered via mail per the employee’s election. Paychecks will not be released to anyone other than the employee without written authorization by the employee. Should you ever wish to have your check released to anyone other than yourself, you must provide written authorization that shall include at least the following: (1) date of the payroll check to be picked up; (2) your specific authorization for the person named on the request to pick up your check for you; (3) the name and relationship of the person; (4) your name printed; (5) your signature; and (6) the date signed.

For example, the following authorization would be acceptable:

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

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

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

The Company may offer programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their pay checks to cover the costs of participation in these programs. Pay setoffs are pay deductions taken by the Company, usually to help pay off a debt or obligation to the Company or others. If you have questions concerning why deductions were made from your pay check or how they were calculated, your supervisor can assist in having your questions answered.

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their supervisor so that corrections can be made as quickly as possible.

The Company does not make pay advances or loans to employees.

### **3.11. Reporting/Show-Up Compensation**

If a nonexempt employee is requested to report to work on a day the employee is scheduled to work, but is sent home early without working one-half of their usual or regularly scheduled hours for that day, the employee will be paid the greater of one-half their regularly scheduled hours (up to four hours) or two hours at the employee's regular rate of pay ("Reporting Pay"). The regular rate of pay will be the rate the employee received for hours worked during that payroll period. An employee will not be entitled to Reporting Pay, however, if the Company has notified them not to report to work on a given day, when operations cannot begin due to threats to the Company or

when recommended by civil authority, when public utilities fail, or when work is interrupted by an act of God or other causes not within the Company's control.

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

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

### **3.12. Pay for Mandatory Meetings/Training**

The Company will pay nonexempt employees for their attendance at meetings, lectures, and training programs that are mandatory.

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

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

### **3.13. Salary Pay Policy for Exempt Employees**

Exempt employees will receive their salary for any week in which they perform any work as set forth herein. An exempt employee will receive their full salary for any week in which an employee does any work, unless otherwise allowed by law and subject to the following rules:

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

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

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

Please contact your supervisor, regional manager, or Human Resources/Legal for more information.

### **3.14. Business and Equipment Expense Reimbursement**

Employees may be reimbursed for reasonable expenses incurred in the course of business. These expenses may include, but are not necessarily limited to, air travel, hotels, motels, meals, cab fare, rental vehicles, gas and car mileage for personal vehicles, personal tools and/or equipment, and personal cell phones if required for work. All expenses incurred should be submitted to the Company along with the receipts within 30 days of the date of the expenditure.

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

You may also be reimbursed for any equipment that you may be required to use for your job that is owned by you.

### **3.15. Cell Phone Reimbursement**

This policy sets forth the rules regarding reimbursement for use of an employee's personal mobile telephone (cell phone) for company business. This policy applies to all employees who are required by their job duties to have and use their own cell phone to complete work-related functions.

Cell phones are required by employees in some positions at the Company in order to maintain contact with supervisors, customers, and other employees. Most employees are provided with telephones at their post or company devices for communication. Your supervisor will advise you if you are required to use your personal cell phone for Company business. Employees whose job duties require a cell phone may receive extra compensation, in the form of a flat fee cell phone allowance, to cover business-related costs on their personal cell phone. No further reimbursement for cell phone costs is available to employees who receive such an allowance.

Only those employees who are required to use their personal cellphones for company business will receive a reimbursement. If the Company does not require an employee to use their personal cell phone for work, it is not to be used simply for the sake of convenience and no cell phone allowance will be paid. The Company will only provide reimbursement for those employees who are required to use their personal cell phones for business-related activities.

Employees required to have cell phones will provide their own cell phone and service (by a vendor of their choice). Employees will have the monthly billing sent directly to their home and be

responsible for paying the bill as dictated by the service provider. However, the Company will reimburse employees who are required and authorized to use their personal cell phones for company business. Reimbursement is paid through the normal company expense reimbursement policy.

Employees are required to know the limits of their particular cellular rate plan such as the peak and off-peak minutes included in the monthly plan, data limits, text message limits, and roaming charges. If the employee feels the allowance does not cover business-related calls, he/she should contact their supervisor. Additionally, if the employee has any reason to believe that he/she is required to use a personal cell phone for Company business, but is not receiving any reimbursement, the employee should contact their supervisor, regional manager, or Human Resources/Legal.

## **SECTION 4: PERSONNEL POLICIES**

### **4.1. Open Door Policy and Communication Procedures**

Sunstates Security recognizes that employees will have suggestions for improving the workplace, as well as complaints about the workplace, and the Company recognizes the importance of providing employees with a safe forum to voice complaints, give feedback and make suggestions. The most satisfactory solution to a job-related problem or concern is usually reached through a prompt discussion with your supervisor. Every effort will be made to respond in a timely manner to employee inquiries and to do what is reasonable and fair to resolve concerns or complaints. When questions or concerns arise, employees are encouraged to utilize the procedures outlined below. Employee concerns will receive prompt consideration, and use of these procedures will not jeopardize the employee's position with Sunstates.

As a security services provider, Sunstates Security subscribes to many para-military guiding principles, especially those promoting good self-discipline, strong core values, and devotion to duty. As a Sunstates employee, you have agreed to adopt these same principles as your own. Abiding by the laws of our nation, the policies and procedures of the Company and following the lawful directions of your “chain of command” are all essential to what we do.

The first link in your chain of command is your immediate supervisor. If you have an urgent question, concern or grievance, you should bring it to the attention of your supervisor immediately. In non-urgent situations, you should notify your supervisor, verbally or in writing, within five (5) working days of the time you have knowledge of the circumstances that are the basis of your question/concern/grievance.

If your supervisor is not available or if you have a situation that is so sensitive that you feel you cannot discuss it with your supervisor comfortably, or if it directly involves your supervisor or you

are not satisfied with your supervisor's response, please submit your complaint or suggestion in writing to your regional manager or Human Resources/Legal, who will review your written submission and provide you with a final resolution.

At no time should an employee attempt to discuss such concerns with the client. Most often, issues or concerns can be addressed and resolved through timely, professional and honest communication with your supervisor.

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

### **Sunstates Toll-Free HIT Line**

Sunstates Security is proud of our core values of *Honesty, Integrity, Trust (HIT)*. We believe it is these strengths that make us a **HIT** wherever we serve. The toll-free **HIT-Line** was created to provide Sunstates employees with a method by which to share ideas to ensure that our company values are preserved. If you have an idea for improvement, a concern about work conditions, or observe on-the-job behavior not consistent with Sunstates values, you are encouraged to call the HIT-Line, and report. Just call toll-free (877) 552-3669 anytime and leave your message. A qualified Sunstates Representative will respond to you within 48 hours. Your identity and contact information will be held in the utmost privacy, or you can remain anonymous.

## **4.2. Unlawful Discrimination and Harassment**

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

For purposes of this section, "National Origin" harassment or discrimination includes discriminating against someone based on their ethnicity; physical, linguistic or cultural traits; a perception that a person is of a particular national origin, even if they are not; and because of their association with someone of a particular national origin.

## Sexual Harassment Defined

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

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

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

Any of the above behavior is considered inappropriate conduct and a violation of this policy, even if it is consensual. It is unlawful for males to sexually harass females or other males, and for females to sexually harass males or other females. Sexual harassment on the job is unlawful whether it involves co-worker harassment, harassment by a supervisor or a member of

management, or harassment by persons doing business with or for the Company. In addition, sexually harassing conduct need not be motivated by sexual desire to be inappropriate or in violation of this policy.

### **Other Types of Harassment**

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

- (a) Verbal conduct such as threats, epithets, derogatory jokes or comments, or slurs;
- (b) Nonverbal and/or visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- (c) Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- (d) Retaliation for reporting harassment or threatening to report harassment.

### **Complaint Procedure**

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

If you believe you have been harassed, or if you are aware of the harassment of others, you should provide a written or verbal complaint to your supervisor, regional manager, HIT-Line, or Human Resources/Legal as soon as possible. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etcetera). Supervisors are required to report all harassment complaints to Human Resources/Legal. All supervisors are responsible for the application and implementation of this Policy within their department, including the initiation and support of programs and practices designed to develop understanding, acceptance, commitment and compliance within the framework of this Policy.

- (a) Assuring that all employees are informed of this Policy;
- (b) Taking affirmative steps to encourage individuals who believe that they have been harassed or discriminated against to report such incidents to a supervisor;
- (c) Cooperating fully with any on-going investigation regarding any sexual harassment or discrimination incident; and



- (d) Complying with all legal requirements as well as working with the Company to be aware of any changes in the law or its interpretation.

Each employee will be responsible for complying with both the spirit and letter of this policy to achieve the Company's objectives. In the event a report involves the employee's supervisor the employee shall report such incidents to the regional manager or Human Resources/Legal. The Company will attempt to keep such reports confidential and will disclose reported information only on a need-to-know basis in order to investigate and resolve the matter.

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

All incidents of prohibited harassment that are reported will be investigated. The Company will immediately undertake or direct an effective, thorough, and objective investigation of the harassment allegations. The investigation will be completed and a determination regarding the reported harassment will be made and communicated to the employee who complained and to the accused employee(s). The investigation will be kept confidential, to the extent possible.

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

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

### **Liability for Discrimination and Harassment**

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

## **Additional Enforcement Information**

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

For more information, contact your supervisor, regional manager, or Human Resources/Legal. You may also contact the nearest office of the EEOC or the DFEH, as listed in the telephone directory or on the Internet.

## **Training**

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

### **4.3. Unlawful Retaliation**

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

#### **What is Retaliation?**

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

#### **What are "Protected Activities"?**

A protected activity is an action by an employee that is protected under federal or California law. Some examples of protected activities are: (1) making a complaint to a supervisor and/or member of management based on a reasonable and good faith belief that unlawful conduct in the workplace has occurred; (2) filing a complaint with a government agency, in good faith, regarding perceived unlawful conduct in the workplace; and (3) participating in an investigation into an employee's complaint of perceived unlawful conduct in the workplace.

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

## **Complaint Procedure**

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

If you believe you have been unlawfully retaliated against, or if you are aware of retaliation against others, you should provide a written or verbal complaint to your supervisor, regional manager, HIT-Line, or Human Resources/Legal as soon as possible. Your complaint should be as detailed as possible, including the names of individuals involved, the names of any witnesses, direct quotations when language is relevant, and any documentary evidence (notes, pictures, cartoons, etcetera). Supervisors will refer all complaints of retaliation and/or retaliatory activities to Human Resources/Legal.

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

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

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

## **Liability for Retaliation**

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

law, the Company reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of this policy.

### **Additional Enforcement Information**

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

For more information, please contact your supervisor, regional manager, or Human Resources/Legal. You may also contact the nearest office of the EEOC, the Labor Commissioner, the DFEH, or other appropriate governmental agency, as listed in the telephone directory or on the Internet.

### **4.4. Conduct and Employment Outside Work**

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

### **4.5. Standards of Professional Conduct**

Orderly and efficient operation of the Company requires that employees maintain proper standards of conduct and observe certain procedures. These guidelines are provided for informational purposes only and are not intended to be all-inclusive. Nothing herein is intended or shall be construed to change or replace, in any manner, the "at-will" employment relationship between the Company and the employee.

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

1. Negligence, carelessness or inconsiderate treatment of Company clients and/ or their matters/files.
2. Theft, misappropriation or unauthorized possession or use of property, documents, records or funds belonging to the Company, or any client or employee; removal of same from Company premises without authorization.
3. Divulging trade secrets or other confidential business information to any unauthorized person(s) or to others without an official need to know.
4. Obtaining unauthorized confidential information pertaining to clients or employees.

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

20. Unauthorized possession of a weapon on Company premises.
21. Illegal gambling on Company premises.
22. Soliciting, collecting money, vending, and posting or distributing bills or pamphlets on Company property. These activities are closely controlled in order to prevent disruption of Company services and to avoid unauthorized implication of Company sponsorship or approval. However, this general rule is not intended to hinder or in any way curtail the rights of free speech or free expression of ideas.
23. Falsification of one's employment application, medical or employment history.

#### **4.6. Drugs and Alcohol**

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

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

“Under the influence” is defined as any measurable amount of drugs or alcohol present in an employee. This will prohibit, for example, drinking any alcoholic beverage at lunch. The only exception to this provision will apply to moderate consumption or possession of alcohol on Company premises by employees at Company-approved functions.

Your compliance with the provisions of our workplace drug and alcohol policy is a condition of employment.

#### **Searches**

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

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

### **Disciplinary Action**

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

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

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

### **Legal Drugs (Prescription and Over-the-Counter)**

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

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

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

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

## **Marijuana**

On November 8, 2016, California voters passed Proposition 64 legalized recreational marijuana use in California. However, this legislation still allows employers to enforce their own drug policies, including refusing to hire and firing workers who test positive for marijuana.

### **Testing Program**

1. After an offer of employment, but before the candidate commences employment;
2. When a reasonable suspicion exists that any employee is under the influence of alcohol, cannabis products, or any illegal drug, intoxicant, or controlled substance while on the job, or is otherwise in violation of this policy. Reasonable suspicion means suspicion based on information regarding, among other things, the appearance, behavior, speech, attitude, mood, and/or breath odor of any employee sufficient to suspect the employee is under the influence of alcohol or any illegal drug, intoxicant or controlled substance;
3. When an accident, near-miss, or incident occurs in which safety precautions are violated or careless acts are performed, and the accident is of the nature that if the employee was under the influence of an illegal drug, intoxicant, or controlled substance, cannabis products or alcohol, such influence could have contributed to the occurrence of the accident. If the accident is severe (i.e. causes injury to the Employee or to another person) or causes substantial damage, drug testing will be required;
4. Randomly for employees employed in a safety-sensitive position; and
5. When required by a state or federal law or regulation (e.g., (i) persons driving commercial motor vehicles with a gross vehicle weight rating of 26,001 pounds or more or carrying hazardous materials in interstate commerce ("DOT testing"); or (ii) for other reasons required by law).

The testing required by the Company will involve an initial screening test. If that test result is positive, the positive result will be confirmed using a different testing methodology. The test results will be kept as confidential as possible.

#### **4.7. Punctuality and Attendance**

To maintain a productive work environment, you are expected to be reliable and punctual when reporting for work. Because it is our duty to protect and serve the interests of our clients, it is essential that you be present and actively engaged in your duties during your assigned work hours. Excessive absenteeism including tardiness, leaving early, and not working your complete schedule, creates disruptions in the site operations as well as increases the burden on fellow employees. Employees are expected to be at work at the start of the shift on the days they are scheduled to work. Excessive absences from work indicate a lack of interest in the job and a



disregard for the reasonable expectations of the Company, and in accordance with the following procedures may lead to termination of employment.

Employees are required to report to work as scheduled on time, ready to work, and to remain at work while scheduled to be on duty for their entire work schedule, except in cases of illness, bona-fide emergency, or when previous permission to be absent has been obtained. If you cannot avoid being late to a job assignment or are unable to work as scheduled, you must provide at least four (4) hours' notice to your supervisor. If the need to take time off is foreseeable, for example time off for a planned appointment, advance notice of at least three (3) days is required. Where the need for time off is unforeseeable, please inform the Company as soon as reasonably practicable. Employees are personally responsible to call their supervisor if known in advance to provide notice that they are unable to work as scheduled, when possible. Employees are required to call until they have a conversation with their supervisor. Text messages, voicemails and emails will not be accepted for purposes of satisfying this absence reporting procedure.

Employees are expected to report to job assignments as scheduled, on time. Employees also are expected to remain in designated areas on the premises for their entire work schedule, except for meal periods or when required to leave on authorized Company business. Late arrival, early departure, repeated tardiness, or other unanticipated and unapproved absences from scheduled hours are disruptive and must be avoided. Failure to comply with the above may result in disciplinary action up to and including termination.

Every time you are absent or late, or leave early, you must provide your supervisor with an honest reason or explanation to the fullest extent allowed by law. You must also inform the supervisor of the expected duration of any absence. The Company will comply with applicable laws relating to time off from work, but it is your responsibility to provide sufficient information to enable the Company to make a determination. You must notify your supervisor of any change in your status as soon as possible.

**Note:** You may not arrive more than 15 minutes prior to the beginning of your shift, and you may not remain on post for more than 15 minutes after your shift has ended, unless directed otherwise by the client or your supervisor. In situations where a relief is due to relieve you on post, do not leave your post until your relief has arrived, regardless of the time. Abandoning your post may be grounds for termination of employment. Notify your Supervisor immediately if your relief does not show up on time.

In case of illness or injury, a doctor's release to return to work may be required from an employee before the employee will be allowed to return to work if the employee has exhausted their California mandatory paid sick leave and/or kin care. In providing this doctor's note, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To

comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information.

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

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

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

#### **4.8. Investigations of Current Employees and Security Inspections**

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

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

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

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

Company voice mail and/or electronic mail (e-mail) are for business purposes. The Company reserves the right to monitor voice mail messages, email messages, text messages, chat logs, and

instant messaging to ensure compliance with its policies, with or without notice to the employee and at any time, not necessarily in the employee's presence.

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

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

This policy does not apply to owners, shareholders, the President or any other Corporate Officers of the Company.

#### **4.9. Business Conduct and Ethics**

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

#### **4.10. Confidentiality**

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

Confidential information is a valuable asset of the Company, developed over a long period of time and at substantial expense. To protect the Company's competitive goals and interest in this valuable asset, you must (a) not use any confidential information for your personal benefit or for the benefit of any person or entity other than the Company and (b) use your best efforts to limit access to confidential information to those who have a need to know it for the business purposes

of the Company. In addition, you should minimize those occasions on which you take documents, computer disks or a laptop containing such confidential information outside the Company. On those occasions where it is necessary, consistent with the best interests of the Company and doing your job effectively, to take documents, computer disk or a laptop containing confidential information outside the office, all appropriate precautionary and security measures should be taken to protect the confidentiality of the information. During the course of your employment with the Company, you will be provided with and will generate correspondence, memoranda, literature, reports, summaries, manuals, proposals, suppliers, vendors, contracts, customer lists, prospect lists, and other documents and data concerning the business of the Company. Any and all such records and data, whether maintained in hard copy or on a computer or other medium, is the property of the Company, regardless of whether it contains confidential information. Upon termination of your employment, you are required to return all such records to the Company and may not retain any copy of such records or make any notes regarding such records. The Company reserves the right to search for such information and property in personal items while on Company premises such as vehicles, purses, briefcases, etc.

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

#### **4.11. Employee Dress and Personal Appearance**

In order to maintain the good reputation of the Company, employees are expected to wear clothing appropriate for the nature of our business and the type of work performed. Employees are expected to report to work well-groomed, showered, and dressed according to the requirements of their position. Clothing should be neat, clean and tasteful.

A uniform comprised of a shirt and name badge is provided by the Company at no charge to each employee. The employee is required to take proper care of the uniform and wear the uniform shirt and name badge while working. The Company's professional image is largely determined by the image that employees present to our customers and clients. The Company expects all employees to dress and groom themselves in a clean, neat and professional manner. Anything that a reasonable person might consider offensive, provocative or distracting may not be permitted.

Neatness, cleanliness, and personal hygiene are absolutely necessary at all times. Uniforms (if required) and other clothing should always be neat and clean. Apparel advertising or bearing the logo of a competitor of the Company is not to be worn by employees while on duty.

Tattoos must be covered while on duty and body piercings that are visible are prohibited, with the exception of earrings, which will be permitted if they are small studs or 1" maximum diameter hoop earrings. Necklaces shall be worn inside the shirt; not visible. No more than one ring per hand (wedding set considered one ring), one bracelet maximum; no personal jewelry on clothing. Any such may be prohibited for Company employees if it poses a safety hazard or impediment to the employee's duties.

All uniforms and name badges issued by the Company must be returned in good condition upon the employee leaving the Company.

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

## **Officers**

Uniforms remain the property of the Company and equipment must be signed out by the employee when received and turned back in at time of termination.

Uniforms may only be worn on the job or while coming to and going from work. They may not be worn at any time when conducting personal business.

All officers are to be in a clean and proper uniform while working. State law requires that you wear the equipment issued as a private security officer. Employees will be issued a uniform that includes:

- Uniform shirt with all patches;
- Security officer badge/patch on both sleeves of all shirts or jackets;
- Breast patch;
- Vest; and
- Jacket.

Officers are required to wear closed-toed and rubber-soled shoes. The best shoes are comfortable and water-resistant. Shoes must be clean and in presentable condition at all times. Athletic shoes are not permitted.

Shirts must be tucked in and not hanging out over the gun belt. Standard black t-shirts are to be worn under a uniform shirt.

To maintain proper hygiene, be sure to wear adequate deodorant, especially at hot worksites, and limit the use of perfume and cologne.

- Officers must be clean-shaven and no beards or goatees are permitted.
- Mustaches are allowed if neatly trimmed and no longer than the corner of the lips.
- Sideburns to the earlobe are allowed if neatly trimmed and kept.
- Hair may be no longer than collar length, and when longer, it must be pulled back or placed in a bun while on duty or in uniform and must accommodate the wearing of a security cap.
- Hair clips or combs must not interfere with the wearing of head gear. Hair may not impede vision in either eye.

- No exposed tattoos are allowed.

Only a wristwatch and a maximum of one ring on each hand may be worn. No other exposed jewelry may be worn while on duty or in uniform. Fingernails must be clean and may not extend more than one-quarter inch beyond the tip of the finger. Fingernail jewelry is prohibited.

Makeup may not be extreme in nature (e.g. glittering) and should look professional and neat.

Officers will be neat in appearance and maintain a military bearing while having a courteous attitude at all times.

### **Request for Reasonable Accommodation**

Any employee who requires an accommodation for any reason protected by law, including based on a religious belief and/or religious practice (including religious dress and grooming practices), should contact their supervisor, regional manager, or Human Resources/Legal and request such an accommodation. Reasonable accommodation will be granted unless it would cause an undue hardship on the Company.

### **No Retaliation**

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

## **SECTION 5: FACILITIES**

### **5.1. Policy Against Workplace Violence**

The Company recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, considered response by employers. The costs of workplace violence are great, both in human and financial terms. We believe that the safety and security of our employees are paramount. Therefore, the Company has adopted this policy regarding workplace violence.

Acts or threats of physical violence, including intimidation, harassment, and/or coercion, that involve or affect the Company or that occur on Company property or in the conduct of Company business off Company property, will not be tolerated. This prohibition against threats and acts of violence applies to all persons involved in Company operations, including, but not limited to, personnel, contract workers, temporary employees, and anyone else on Company property or conducting Company business off Company property. Violations of this policy, by any individual, will lead to disciplinary and/or legal action as appropriate.

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

## **Definitions**

Workplace violence is any intentional conduct that is sufficiently severe, offensive, or intimidating to cause an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property such that employment conditions are altered or a hostile, abusive, or intimidating work environment is created for one or several of the Company's employees. Workplace violence may involve any threats or acts of violence occurring on Company premises, regardless of the relationship between the Company and the parties involved in the incident. It also includes threats or acts of violence that affect the business interests of the Company or that may lead to an incident of violence on Company premises. Threats or acts of violence occurring off Company premises that involve employees, agents, or individuals acting as a representative of the Company, whether as victims of or active participants in the conduct, may also constitute workplace violence. Specific examples of conduct that may constitute threats or acts of violence under this policy include, but are not limited to, the following:

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

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

## **Enforcement**

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

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

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

Under this policy, decisions may be needed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing. No existing policy or procedure of the Company should be interpreted in a manner that prevents the making of these necessary decisions.

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

### **5.2. Operation of Vehicles**

In order to ensure the legal and safe operation of all automobiles used for Company business, all drivers must comply with the following guidelines.

Only authorized drivers covered under Sunstates auto insurance policy are permitted to operate a Company vehicle. Employees who operate Company or client vehicles may not carry passengers not employed by the Company without specific permission by management. The Company's vehicles may not be used for personal activities. Insurance requirements make this mandatory and violations or unauthorized use will result in disciplinary action up to and including termination of employment.

All employees required to drive Company-owned or Company-leased vehicles or to rent vehicles for use in conducting Company business must authorize the Company to receive a Department of Motor Vehicles printout of the employee's driving record and a copy of their driver's license to the Company. Such employees must report any change in license status or driving record to management immediately. From time to time, the Company or its insurance carrier will request reports from the Department of Motor Vehicles regarding the license status and driving record of employees whose job responsibilities require driving. Current required documentation (i.e.



insurance card, registration card, accident reporting kit) must be maintained in Company vehicles at all times while being operated. In the event that the license status or driving record of any employee whose job responsibilities require driving becomes unacceptable to management or the Company's insurance carrier, that employee may be restricted from driving, reassigned, suspended, or terminated, at management's discretion, to the fullest extent allowed by law.

It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers should demonstrate safe driving habits and not drive too fast or recklessly. If your driving privileges are ever suspended or revoked, you must notify your supervisor immediately and cease driving for Sunstates. Failure to report this could result in immediate discharge.

Anytime an employee is pulled over while driving a Company vehicle, the employee must report the incident by the end of the shift. The Company participates in the Department of Motor Vehicles Pull Notice Program and receives notification of changes to your driving record. Failure to maintain a good driving record may preclude you from driving on Company business due to insurance coverage requirements.

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

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

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

Vehicle safety inspections must be recorded and completed daily, weekly, or monthly, depending on operational use, Company policy, or pursuant to applicable law. The Sunstates Fleet Vehicle Inspection checklist must be completed on any Sunstates vehicle before putting that vehicle into operation. All Sunstates vehicles will be inspected monthly.

Certain employees may drive their own personal vehicles while conducting Company business, but only with prior authorization from Company Management. These employees must maintain adequate personal automobile liability insurance. Employees doing so should promptly submit an expense report detailing the number of miles driven on Company business. The Company will pay

mileage reimbursement in accordance with applicable reimbursement rates. Employees are expected to observe the above policies while on Company business, even if driving their own personal vehicles.

The following are Company driver and vehicle safety rules:

- Authorized drivers must demonstrate overall competence in the safe operation of a motor vehicle and must complete the pre-trip checklist each shift.
- Restraint systems, such as seat belts & harnesses, must be worn by all vehicle occupants at all times while the vehicle is in use.
- Operators should report any vehicle malfunction or safety concern to their supervisor immediately.
- The Company requires its employees to remain attentive and to exercise extreme care while operating motor vehicles. Unless absolutely necessary to transmit emergency communications, drivers will limit the use of telephones to times when the vehicle is stopped. Certain states prohibit the use of phones while driving; if you are seated in the driver's seat, the perception is that you're driving. Employees are required to know and comply with all state and local laws pertaining to the use of phones while driving.
- When conducting a mobile security patrol and upon arrival at the patrol venue, illuminate the strobe lights fitted to the vehicle and patrol around the circumference of the building/facility, if possible. Utilizing the available lighting to your advantage; be observant for any unauthorized or suspicious activity.

### **Driving as a Condition of Employment**

Depending upon the Company's agreement with the client, some positions may require an employee to drive a Company vehicle. As such, hiring officials seek qualified candidates that can be reasonably insured under the Company auto policy and can, through rigorous training and testing, prove competence in safe motor vehicle operation.

Sunstates driving privileges may be declined, forfeited or revoked based on driving history, failure to report incidences/accidents, incidences and violations of this policy. If operating a Company automobile is a requirement for your assignment, be extremely careful to follow traffic rules, even when off the job. Violations on your Motor Vehicle Report (MVR) could result in your driving privileges for the Company being suspended or revoked, which could result in your inability to work and thus, termination of your employment.

### **Automobile Accident Procedures**

If an employee is involved in an accident, the following steps shall be taken:

- Stop immediately at the point of accident or as soon as possible. Call for medical assistance (911) and provide aid to victims, if necessary.
- Try not to obstruct traffic, and do not smoke or use a naked flame at the scene. Prevent additional accidents by placing traffic cones to warn other traffic, clearing the roadway and taking any other possible precautionary measures.
- Report the accident immediately to your supervisor, and state, county, or municipal law enforcement authorities as required by law.
- Make NO STATEMENTS regarding liability associated with the accident - do not attempt to take or place blame; merely give facts to police only as requested by them. Furnish only name, address, and driver's license information to other drivers upon request.
- Obtain information and fill out one copy of the accident report found in the glove compartment of the vehicle. You should be sure to keep blank copies of the accident report in the glove compartment at all times.
- Collect names, addresses, and telephone numbers of any witnesses at the scene of the accident and whenever possible, have the witnesses write a statement about what they witnessed.
- Cooperate fully with any law enforcement agencies, or the Sunstates insurance representative assigned to investigate the accident.
- Submit completed accident forms, photographs, diagrams, and witness statements to your Supervisor

### **Accident Investigation and Report**

A local Sunstates manager (or manager's designee), upon notification of a motor vehicle accident, shall immediately visit the scene of the accident. Only facts and evidence shall be reported. No determination of fault or legal responsibility on the part of the Company or its employees shall be made on the report. The local Sunstates manager (or manager's designee) shall complete the necessary motor vehicle accident investigation reports and forward them to the client representative (if a client's vehicle or property was involved) and provide a copy of each report to the Training & Safety Department, Legal Department and SVP of Operations. All employees involved in an accident are drug tested immediately pending the investigation. After the accident, the Sunstates driver should not operate a work vehicle until the corporate office designee/panel makes the determination if the employee is approved to operate a work vehicle.

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

In the interest of the safety of our employees and other drivers, Company employees are prohibited from using cell phones while driving on Company business and/or Company time. Texting and e-mailing from cell phones while operating a vehicle on Company business or time is strictly prohibited.

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

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

### **5.4. Telephone Use**

The telephones at work locations are for business calls. It is important to keep our telephone lines free for work-related and customer calls. Please ask your friends and relatives not to call the Company lines or dispatcher unless it is an emergency as the phones are to provide effective customer service. Be considerate to your co-workers. Abuse of this privilege may result in the policy becoming more restrictive and will lead to discipline, up to and including termination.

The Company may monitor telephone calls to ensure compliance with this policy as well as for other business reasons, including the desire to ensure that calls are handled in a professional manner and to promote efficiency in the manner in which customers are treated. Employees should therefore not assume that calls made or received on Company lines are confidential.

In addition, use of a personal cell phone should not cause disruptions or loss in productivity. Each employee is expected to be working for the Company at all times, unless on a break. Employees may use their cell phones during rest and meal periods. Under no circumstances should a cell phone be used where it would result in discourtesy to others or prevent the employee from being

fully attentive to the employee's duties and responsibilities. Employees who violate this policy may be subject to disciplinary action, up to and including termination of employment.

### **5.5. Use of Technology and the Internet**

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

This policy applies to all technical resources that are owned or leased by the Company, that are used on or accessed from Company premises, or that are used for Company business. This policy also applies to all activities using any Company-paid accounts, subscriptions, or other technical services, such as Internet and Web access, voice mail, e-mail, chat logs, and instant messaging, whether or not the activities are conducted from Company premises.

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

#### **Acceptable Uses**

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

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

#### **Unacceptable Uses**

The Company's technical resources should not be used for personal gain or the advancement of individual views. Employees who wish to express personal opinions on the Internet are encouraged

to obtain a personal account with a commercial Internet service provider and to access the Internet without using Company resources.

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

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

Sending, saving, or viewing offensive material is prohibited if not in the course and scope of employment. Messages stored and/or transmitted by computer, voice mail, e-mail, chat logs, instant messaging, or telephone systems must not contain content that may reasonably be considered offensive to any employee. Offensive material includes, but is not limited to, sexual comments, jokes or images, racial slurs, gender-specific comments, or any comments, jokes or images that would offend someone on the basis of their race, color, national origin or ancestry, gender/sex, gender identity, gender expression, age, physical or mental disability, perceived disability or perceived potential disability, pregnancy or perceived pregnancy, childbirth, breastfeeding or related medical conditions, religion (including religious dress and grooming practices) or creed, requesting accommodation for disability or religious beliefs, marital status, registered domestic partner status, medical condition (including HIV and AIDS), citizenship, military and veteran status, sexual orientation, genetic characteristics, genetic information (including information from the employee's genetic tests, family members' genetic tests, and the manifestation of a disease or disorder in the employee's family members), driver's license status, receiving public assistance, political affiliation, as well as any other category protected by federal, state, or local laws. Any use of the Internet/ Web or intranet to harass or discriminate is unlawful and strictly prohibited by the Company. In addition, use of technical resources that is with malice or that a reasonable person would find hostile, offensive, and unrelated to the Company's legitimate business interests is also strictly prohibited. Violators will be subject to disciplinary action, up to and including termination of employment.

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

## **Access to Information**

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

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

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

## **Copyrighted Materials**

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

## **Confidential Information**

E-mail and Internet/Web access are not entirely secure. Others outside the Company may also be able to monitor your e-mail and Internet/Web access. For example, Internet sites maintain logs of visits from users; these logs identify which company, and even which particular person, accessed the service. If your work using these resources requires a higher level of security, please ask your

supervisor for guidance on securely exchanging e-mail or gathering information from sources such as the Internet or Web.

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

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

### **Security of Information**

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

In order to facilitate the Company's access to information on its technical resources, you may not encrypt or encode any voice mail or e-mail communication or any other files or data stored or exchanged on Company systems without the express prior written permission from Human Resources/Legal and your supervisor. As part of this approval, Human Resources/Legal will indicate a procedure for you to deposit any password, encryption key or code, or software with the Company so that the encrypted or encoded information can be accessed in your absence.

### **Your Responsibilities**

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

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

## **5.6. Use of Social Networking and Social Media**

Social media, professional networking sites, rapid-fire communications (instant messaging), blog sites, and personal Web sites are all useful technologies, and with the ready availability of these technologies, every employee has an opportunity to express and communicate online in many



ways. The Company realizes these facts and has developed this policy in order to provide its employees with guidelines for expected online behavior. Social media is defined as an electronic service or account, or electronic content, including, but not limited to, videos, still photographs, blogs, video blogs, podcasts, instant and text messages, email online services or accounts, or internet website profiles or locations.

The Company encourages employees to post freely and exchange opinions and ideas on interactive websites in a way that follows all Company policies. Accordingly, the following policy is intended to set forth the terms of the Company's policy on employee use of blogs and other interactive websites. This policy covers employees creating, posting, commenting, or uploading to any Internet website, as well as any non-Company external site, such as media sites, chat rooms, bulletin boards, newsgroups, discussion groups, non-Company e-mail groups, personal websites, video sharing sites, picture sharing sites, dating sites, and social networking sites (e.g. Facebook, Twitter, YouTube, LinkedIn, Instagram, TikTok, Snapchat, etc.), whether or not such sites are set to private. The absence of, or lack of explicit reference to a specific site does not limit the extent of the application of this policy.

Failure to follow the Company's Social Networking and Social Media Policy may result in disciplinary action, up to and including termination of employment.

### **Use of Social Networking Technology**

The Company's policies regarding Company access to Technological Resources and monitoring of online services, as described in the Company's "Use of Technology and the Internet" Policy in this Handbook, apply with equal force to employee access and use of non-Company social media sites. Employees may not engage in blogging or access social networking sites during working hours. Employees may not use Sunstates uniform, badges and/or likeness without express written permission from Legal.

This policy will set forth guidelines that employees should follow for all online communications in reference to the Company to the fullest extent allowed by state or federal law.

### **Responsibility**

Employees may not use any Company communications devices to access, review, or post information on blogs or other social media without the prior written permission of Human Resources/Legal.

Any material presented online in reference to the Company by any employee is the responsibility of the poster. Employees blog/post at their own risk and are personally and legally responsible for their postings and online comments. The Company will not assume any liability or risk for an employee's blogging or posting online. The following are illustrative of the types of relevant laws

employees should be respectful of: privacy, libel, defamation, harassment, copyright, intellectual property and data theft.

Employees may not publish a blog, post a comment, or share an image that is in any way related to the Company or its clients. In no way may employees represent or suggest that their opinions or positions are endorsed by the Company.

In addition, employees should not re-publish postings or statements of other Company employees without making the same type of disclaimer that the views expressed are of an employee of the Company and do not reflect the positions, strategies or opinions of the Company.

### **Employee Personal Social Media Web Pages**

The Company recognizes that employees might have their own personal social media web pages. As such, the Company respects employees' right to express personal opinions when using personal social media web pages and does not retaliate or discriminate against employees who use social media for political, organizing, or other lawful purposes. The Company does protect its intellectual property, including its name and related business assets that are discussed on social media websites at any time.

The Company will not require or request an employee or applicant for employment to do any of the following regarding their personal social media web pages:

- Disclose a username or password for the purpose of accessing their personal social media web pages;
- Access personal social media web pages or accounts in the Company's presence; or divulge any personal social media information.

The only exceptions to this policy are as follows:

- To request an employee divulge personal social media content reasonably believed to be relevant to an investigation of allegations of employee misconduct or employee violation of applicable laws and regulations provided that the social media is used solely for purposes of that investigation or a related proceeding; and
- To require or request an employee disclose a username, password, or other method for the purpose of accessing an employer-issued electronic device.

The Company will not discipline, threaten to discipline or retaliate against any employee or applicant for refusing to comply with a request or demand by the Company that violates this policy.

### **Employee Responsibilities When Using Social Media**

Employees are expected to abide by the following rules and guidelines in social networking practices:

Employees are personally responsible for the content which they publish. Once content is posted online, it is no longer under your control; online postings can remain on the internet indefinitely, and content posted to private websites does not always stay private.

If you choose to add your place of employment to any profile, you must comply with the Company's workplace policies.

You must make it clear that you are speaking for yourself and not on behalf of the Company.

Do not represent that you are communicating the views of the Company, or do anything that might reasonably create the impression that you are communicating on behalf of or as a representative of the Company.

Employees cannot advertise or sell the Company's products via social media websites without prior written approval from Human Resources/Legal .

Be mindful of the world's longer memory - everything you say is likely to be indexed and stored forever, either via search engines or through bloggers that reference your posts. Never post the Company's non-public financial, client or operational information. If it's not already public information, it's not your job to make it so.

The bottom line is, if you find yourself wondering if you can talk about something that happened at work: don't. Ignoring these guidelines could result in wrongful disclosure of private information, discipline up to and including termination for the employee, and interference with the Company's efforts to obtain and retain customers.

### **Abiding by State and Federal Laws**

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

### **Inaccurate or Defamatory Content**

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

Unlawful harassment includes harassment based on race, color, national origin or ancestry, gender/sex, gender identity, gender expression, age, physical or mental disability, perceived disability or perceived potential disability, pregnancy or perceived pregnancy, childbirth,

breastfeeding or related medical conditions, religion (including religious dress and grooming practices) or creed, requesting accommodation for disability or religious beliefs, marital status, registered domestic partner status, medical condition (including HIV and AIDS), citizenship, military and veteran status, sexual orientation, genetic characteristics, genetic information (including an employee, a family member of an employee, or the manifestation of a disease or disorder in a family member of an employee), driver's license status, receiving public assistance, political affiliation, or any other characteristic protected by state, federal, or local law.

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

### **Failure to Comply With the Policy**

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

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

### **5.7. Electronic Data Protection**

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

### **5.8. Solicitation and Distribution of Literature**

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

### **Defining Key Terms**

As used in this policy:

**"Solicitation"** includes asking employees:

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

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

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

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

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

**"Work areas"** are any areas where actual work is performed for the Company.

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

### **Permissible Solicitation/Literature Distribution**

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

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

### **Prohibited Solicitation/Literature Distribution**

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

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

## **Use of Company Equipment for Solicitation/Literature Distribution by Employees**

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

## **Prohibited Discrimination and Harassment**

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

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

## **Discipline**

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

## **Solicitation/Literature Distribution by Nonemployees**

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

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

## **Management Contacts**

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

## **5.9. Seating Policy**

Employees will be provided with suitable seats when the nature of the work reasonably permits the use of seats. An adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties. If at any time you believe you have not been provided with suitable

seating, please bring this to the attention of your supervisor, regional manager, or Human Resources/Legal and they will determine whether suitable seating may be provided and if the nature of the work reasonably permits the use of seats.

### **5.10. Employee Health and Safety**

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

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

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

Additionally, the Company has developed a written Injury and Illness Prevention Program as required by law. If you have not received your copy of this Program, or if you wish an additional copy, please contact your supervisor. It is your responsibility to read, understand, and observe the Injury and Illness Prevention Program provisions applicable to your job.

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

Report all accidents and injuries to your supervisor (no matter how slight) immediately.

Notify your supervisor if you observe a potentially unsafe condition or safety hazard.

Avoid overloading electrical outlets.

Use caution when handling flammable materials.

Walk – do not run.

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

Keep cabinet, file, and desk doors and drawers closed when not in use.

Sit firmly and squarely in chairs that roll or tilt.

Wear all appropriate and required safety equipment.

Refrain from “horseplay” and practical jokes.

Operate only equipment on which you have been trained or authorized.

Keep your work area clean and orderly, including keeping aisles clear.

Stack materials only to safe heights.

Use the right tool or piece of equipment for the job, and use it correctly.

Watch out for the safety of other employees.

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

## **5.11. Security**

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

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

The Company reserves the right to install security cameras in work areas for specific business reasons, such as surveillance and security purposes. The Company may find it necessary to monitor certain work areas with security cameras when there is a specific business-related reason to do so.



The company will do so only after first ensuring that such action is in compliance with state and federal laws. As such, employees should not have an expectation of privacy in work-related areas. Employee privacy in non-work-related areas will be respected to the extent possible subject to overall security purposes and other business needs. Employees should contact their supervisor if they have questions about this policy.

### **5.12. Key Control Policy**

Company/Client keys that are used by Sunstates Security Officers in the performance of their duties must be accounted for. Loss of keys shall be immediately reported to a supervisor verbally (initially) and in writing (ultimately) by the person losing the keys, or the person reporting the keys as being lost. Include the circumstances surrounding the loss and all efforts made to locate the keys.

Keys to the office, Company automobiles and other Sunstates locations will be issued on an “as needed” basis. Keys to the client’s property will be maintained and secured in accordance with Post Orders and are not to leave the client’s premises, unless prior authorization is given. Officers will conduct a key inventory at the beginning of each shift and, if unable to account for missing keys, will notify their supervisor immediately.

All keys will be logged, inventoried and accounted for by the Site Supervisor or employee’s designee. No employee is permitted to make a copy of any key provided by Sunstates or the client without prior authorization. Damaged or mislabeled keys must be reported to your Supervisor. A good rule of thumb is: If the keys are not in your hand, they should be secured on your person with an approved key keeper or in a secured lock box. Those found to be negligent in the area of key control may be subject to termination of employment.

### **5.13. Workplace Searches and Monitoring**

For the protection of all employees, employees will be subject to questions and a search whenever the Company deems it appropriate. Rooms, desks, lockers, and file cabinets (to all of which the company retains duplicate keys), and vehicles, packages, purses, briefcases, lunch boxes, and other possessions at the Company’s facilities or on Company property may be subject to search and inspection at all times.

Moreover, the Company reserves the right to open and inspect lockers and desks, as well as any contents, effects, or articles that are in lockers or desks. Such an inspection can occur at any time, with or without advance notice or consent. An inspection may be conducted before, during, or after working hours by any supervisor, manager or security personnel designated by the company.

Prohibited materials, including weapons, explosives and non-prescribed drugs or medications, may not be placed in a desk or file cabinet. In accordance with our Company policy regarding use of drugs, marijuana, even if prescribed, is considered an illegal drug. Perishable items also should

not be stored in desks and file cabinets or left for prolonged periods. Employees, who, if requested, fail to cooperate in any inspection will be subject to disciplinary action, including immediate termination of employment.

A routine check of employees leaving the Company's premises with packages or articles may be held periodically without prior announcement. If employees desire to avoid such inspections, they should refrain from bringing packages or other articles on the company's premises. The Company is not responsible for lost or stolen items that are left with security or brought on the premises.

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

#### **5.14. Smoking**

Smoking of any kind while in Company uniform is prohibited. Smoking while not in uniform is only allowed in designated areas during non-work time, such as meal periods or rest breaks. Smoking is not allowed in any portion of the facilities, including in Company vehicles, nor should any employee smoke in the facilities or properties of our customers. All employees are to dispose of cigarettes and/or tobacco trash in proper receptacles. In situations where the preferences of smokers and nonsmokers are in direct conflict, the preferences of nonsmokers will prevail.

### **SECTION 6: EMPLOYEE BENEFITS**

#### **6.1. Benefits**

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

This Handbook contains a very general description of the benefits to which you may be entitled as an employee of Sunstates. Please understand that this general explanation is not intended to, and does not, provide you with all details of these benefits. Therefore, this Handbook does not change or otherwise interpret the terms of the official plan documents.

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

## **6.2. 401(K)**

Everyone can envision where they will be and what they will be doing when they retire. Because we value your career contribution to the success of Sunstates Security, we believe it is important to help you achieve those retirement goals. That's why we are excited to announce that effective 4/1/2021, Sunstates Security, Inc. will offer a 401(k)-retirement savings plan. A 401(k) plan is perhaps one of the best available retirement savings options. The open enrollment dates for the Plan occur quarterly. During the open enrollment periods, the newly eligible employee will receive information regarding the plan details, as well as the necessary election forms, through a packet that will be mailed to your home address.

This benefit is offered to employees that work a minimum of 20 hours a week (minimum of 1,000 hours per year or more) and have completed one year of service with Sunstates Security. Like any savings plan, the sooner you start contributing to your 401(k), the better off you will be. Even a small contribution can make a big difference in your retirement lifestyle. Sunstates Security offers a matching program to employee contributions, the details of which are set out in your plan documents or can be obtained from your supervisor.

## **6.3. Holidays**

The Company observes the following holidays:

New Year's Day

Memorial Day

Independence Day

Labor Day

Thanksgiving Day

Christmas Day

However, please note that observance of these holidays does not automatically mean the Company will be closed. Most Sunstates clients require coverage for their facilities during holidays. As an incentive for working holidays, hourly employees that work at any time during the 24-hours of one of the six (6) recognized holidays will be paid at a rate of "time and a half" for those hours. Employees that work on a scheduled holiday are paid at premium rate of "time and a half" for working the holiday.

## **6.4. California Disability Insurance Benefits**

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

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

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

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

### **Time Missed From Work**

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

### **Advance Notice Rules**

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

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

When feasible, the notice and request for time off must be accompanied by proper medical certification that does not include the underlying medical diagnosis or other confidential medical information. In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for

medical information. Please see the Requests for Medical Certification policy in this Handbook for more information.

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

### **Concurrent Use of PFL and FMLA/CFRA Time**

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

## **6.5. Insurance Benefits**

Sunstates offers health benefits to meet our employees' needs and the needs of their families. These benefits include: medical, vision, and dental insurance, basic life insurance, and other options based on your position and location.

Please be aware that all programs have different requirements regarding enrollment, allowing mid-year changes to enrollments, and termination dates. Changes to your current benefit enrollments are allowed when a qualifying event occurs. Please review the plan guidelines for more information on what constitutes a qualifying event. No longer being able to afford your deductions is not a situation that is considered a qualifying event.

To the extent that any of the information contained in this Handbook is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases. Nothing contained in the benefit plans described herein shall be held or construed to create a promise of employment, a promise of future benefits, or a binding contract between the Company and its employees, retirees or their dependents, for benefits or for any other purpose. Sunstates reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans. While we strive to provide the best insurance and benefits possible, Sunstates is not liable for the performance of the benefit providers.

### **Medical Insurance**

Full-time employees are eligible for medical insurance coverage under the Company's policy. Medical insurance coverage is a benefit provided by the Company. Employees should consult the Summary Plan Description for more complete information about eligibility and the details of the Company's medical insurance plan. Copies of the Plan Document and Summary Plan Description are available from the Company. The Plan Document is controlling. Consistent with California

state law, the Company's medical insurance provides the same coverage to an employee's registered domestic partner as is provided to an employee's spouse.

These medical benefits are available after the initial waiting period (the first day of the month following 60 days of employment), and annually, during open enrollment. In order to determine which benefits are available to you and the cost of those benefits, refer to your new hire materials or speak with your Supervisor. Please be aware that eHub, email and the Lancer will be the main forms of communication about Open Enrollment. To stay informed on the latest benefit information, check these forums often.

The Company will not discharge, discriminate against, or otherwise retaliate against any employee because the employee has: received a credit or subsidy pursuant to the Affordable Care Act; provided, caused to provide, or is about to provide or cause to be provided to the Company, the federal government, or the California attorney general information relating to any violation of, or any act or omission the employee reasonably believes to be a violation of, any provision of the Affordable Care Act; testified or is about to testify in a proceeding concerning such violation; assisted or participated, or is about to assist or participate, in such a proceeding; or objected to, or refused to participate in, any activity, policy, practice or assigned task that the employee reasonably believed to be in violation of the Affordable Care Act.

All full-time employees will be enrolled in the Sunstates Group Life and Accidental Death & Dismemberment (AD&D) Policy, at no cost to the employee.

### **Workers' Compensation**

If you are injured or become ill on the job, then you may receive, at no cost to you, workers' compensation insurance benefits which may include medical care, compensation, and vocational rehabilitation. To receive workers' compensation benefits, you must:

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

### **Social Security**

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

### **Unemployment Insurance**

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

## **6.6. Employee Referral Bonus**

If any hourly employee of Sunstates Security refers another individual for employment, and if that individual is hired, the referring employee may be eligible for a bonus. After the referred employee has been actively employed with Sunstates for a period of six (6) continuous months, the employee who referred

the individual (provided the Officer is still employed with Sunstates) will be paid a bonus. The referred individual must list the employees first and last name as the “source” of how they heard about Sunstates when completing the online application to be eligible for the bonus.

### **6.7. New Business Development Referral Program**

If any hourly employee of Sunstates Security refers a new business lead to their manager and the contract is awarded to Sunstates, the employee will receive a \$1.00 bonus for each hour per week of coverage at the new account. To qualify, the new business lead must not already be documented in the company’s business development pipeline. A onetime payout will be made following the first 30 days of service. For example, if you refer a contract with 168 coverage hours, the bonus payout (before taxes) will be \$168.00.

To be eligible for reimbursement, you must submit a prospect information form (PIF) to your manager when the referral is made. Prospect Information Forms (PIF’s) are available from your manager upon request.

### **6.8. Tuition Reimbursement Program**

Sunstates Security has established an educational program to help eligible employees develop their skills and upgrade their performance. All full-time employees with six (6) months or more of service, who are not in a corrective action status are eligible to participate in the program. The company offers \$1,000.00 maximum per calendar year.

Under our program, educational assistance is provided for courses offered by approved institutions of learning, such as accredited colleges, universities, and trade schools. Courses must be in Sunstates’ opinion, directly or reasonably related to your present job or part of a degree program, or in line with a position that Sunstates believes you can reasonably achieve. Courses must not interfere with your job responsibilities and must be attended on your time.

Reimbursement covers actual costs of tuition and registration fees only and is limited to a maximum of six credits per semester for approved courses, based on the following schedule:

<b><u>Grade Received</u></b>	<b><u>Amount of reimbursement</u></b>
A	100%
B	75%
P (pass/fail courses)	75%
C	50%
Lower than C (or F for pass/fail)	0%

Employees eligible for reimbursement from any other source (e.g., a government-sponsored program or scholarship) may seek assistance under our educational assistance program but are reimbursed only for the difference between the amount received from the other funding source and the actual course cost up to the maximum reimbursement allowable under this policy based on the grade received.

To be eligible for reimbursement, you must submit a tuition reimbursement form to your Supervisor prior to the scheduled commencement of your course(s), receive written approval from your local manager in advance, be actively employed by Sunstates at the time of course completion, and receive a qualifying grade. Upon completion of the course, you must submit an official transcript from the school, indicating the grade received, and a receipt or other proof of payment to your Supervisor.

Reimbursement received under this policy must be repaid to the Company if the non-exempt recipient voluntarily terminates their employment within 12 months of completing a reimbursable class.

Educational Assistance Applications and reimbursement forms are available at your local Regional office.

## **6.9. Employee Assistance Program**

Sunstates Security understands that work is not always the only stressor in an employee's life. There are often other crises that arise in one's home life that can require close attention. Some of these issues may be work-life balance, counseling, legal issues, or even financial issues. Sunstates is proud to offer a 24- hour service to help you through these issues. You can contact the employee assistance team at 1-855- 775-4357.

# **SECTION 7: LEAVES OF ABSENCE AND OTHER TIME OFF**

## **7.1. Paid Sick Leave**

The Company provides paid sick leave in compliance with the Healthy Workplaces Healthy Families Act of 2014 (the "Act). This paid sick leave policy is intended to comply with the requirements of the Act, and all applicable federal, state and local laws. This policy shall not otherwise limit the benefits conferred to employees by any federal, state, or local law. To the extent any federal, state, or local ordinance or law is inconsistent with this policy, the Company will provide paid sick leave in accordance with the ordinance or law that provides the most generous paid sick leave to its employees, as applicable.

Unless an applicable ordinance or law provides differently, all regular eligible full time and part time employees will be granted three (3) days or twenty-four (24) hours of paid sick time annually. Employees may use accrued paid sick leave hours beginning on their 90th day of employment, and January 1 of each year, thereafter. Paid sick leave hours must be accrued before they can be taken. Employees may carry over accrued and unused paid sick leave hours to the following 12 month period of employment. Employees may accrue up to 48 hours (or 6 days) of paid sick leave hours, whichever is greater ("Total Accrual Cap"). Once the Total Accrual Cap has been reached,



no additional paid sick leave hours will be earned until previously accrued paid sick leave hours are used. Employees will not be given retroactive credit for any period of time in which they did not accrue paid sick leave hours because they were at the maximum. At the end of the 12 month period, unused paid sick leave hours at or below the Total Accrual Cap will carry over to the next 12 month period.

Employees will receive written notice setting forth the amount of accrued and unused paid sick leave available on each payday.

Employees may take paid sick leave for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member. In addition, employees may use paid sick leave if they are a victim of domestic violence, sexual assault or stalking.

For the purposes of this policy, family members include biological, adopted, or foster children, stepchildren, legal wards, or a child to whom the employee stands in loco parentis; biological, adoptive, or foster parents, stepparents, or legal guardians of the employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child; spouse, registered domestic partner, grandparents, grandchildren, and siblings.

Sick leave may not be used for personal absences nor to extend vacations or holidays. It may be used when an employee is unable to work due to the above reasons, including a diagnosis, care or treatment of an existing health condition, or prevention care for themselves or a "family member."

Paid sick leave can be used in minimum increments of two (2) hours. Paid sick leave will be paid in accordance with California Labor Code section 246.

If the need for paid sick leave is foreseeable, employees must provide reasonable oral or written advance notice of taking paid sick leave by informing their supervisor or Human Resources within two hours of the beginning of the work day. If the need for paid sick leave is unforeseeable, employees must provide notice of the need for paid sick leave as soon as practicable. The Company will not deny an employee the right to use accrued sick days or discharge, threaten to discharge, demote, suspend, or in any manner discriminate against an employee for using accrued sick days, attempting to exercise the right to use accrued sick days, filing a complaint regarding or alleging a violation of California mandatory paid sick leave, cooperating in an investigation or opposing any California mandatory paid sick leave policy or practice.

Sick leave is not considered hours worked for purposes of overtime calculation. Accrued and unused paid sick leave hours are forfeited when employment is terminated in any manner. However, if an employee separates from employment and is rehired by the Company within one year from the date of separation, the employee's previously accrued and unused paid sick leave

hours will be reinstated. In such situation, the rehired employee will be able to use previously accrued and unused paid sick leave hours and to accrue additional paid sick leave hours upon rehire.

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

If you have any questions regarding paid sick leave, please contact your supervisor.

## **7.2. Required Use of Sick Leave Before Unpaid Leave**

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

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

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

## **7.3. Personal Leave of Absence**

The Company provides personal leave of absence without pay to employees who wish to take time off from work to fulfill personal obligations. Eligible employees may request personal leave only after having completed 90 calendar days of service.

A personal leave of absence should be requested in writing to your supervisor no later than 30 days prior to the effective date of your leave, except in emergency situations. Approval is based upon the merits of each case. Requests for personal leave will be evaluated based on a number of factors, including anticipated work load requirements and staffing considerations during the proposed period of absence. A personal leave of absence without pay may be granted for good cause and shall not exceed a maximum of 60 days in a rolling 12 month calendar. Personal leave may not be taken intermittently.

An employee must first use accrued vacation leave as part of the approved period of leave. Benefit accruals, such as vacation, will be suspended during the leave and will resume upon return to active employment. Insurance premiums must be paid in full by you during a personal leave to continue your insurance coverage for this period of time.

If you do not return to work at the end of your approved leave, or if you accept other employment during your personal leave of absence, you may be terminated. The Company cannot guarantee reinstatement to your former position when you return from your leave of absence.

#### **7.4. Family and Medical Leave**

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

Please contact your supervisor as soon as you become aware of the need for a family and medical leave. The following is a summary of the relevant provisions.

##### **Employee Eligibility**

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

##### **Leave Available**

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

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

- b. Their spouse, son, daughter, and/or parent is a member of the National Guard or Reserves ("Military Member") being deployed under a call or order to covered active duty to a foreign country

"Qualifying exigencies" include:

1. Issues arising from a military member's short notice deployment (i.e., deployment on seven or less days of notice) for a period of seven days from the date of notification;
2. Military events and related activities (e.g. Official ceremonies, programs, or events sponsored by the military or family support or assistance programs, and informational briefings sponsored or promoted by the military, military service organizations , or the American Red Cross) that are related to the covered active duty or call to covered active duty status of a military member;
3. Certain childcare and related activities arising from the covered active duty or call to covered active duty status of a military member (e.g. arranging for alternative childcare, providing childcare on a non-routine, urgent, immediate need basis, enrolling or transferring a child in a new school or day care facility, and attending certain meetings at school or a day care facility if they are necessary due to circumstances arising from the covered active duty or call to covered active duty of the military member);
4. Caring for a military member's parent who is incapable of self-care when the care is necessitated by the military member's covered active duty (e.g. arranging for alternative care, providing care on an immediate need basis, admitting or transferring the parent to a care facility, or attending meetings with staff at a care facility.);
5. Making or updating financial and legal arrangements to address a military member's absence;
6. Attending counseling provided by someone other than a health care provider for oneself, the military member, or the child of the military member, the need for which arises from the covered active duty or call to covered active duty status of the military member;
7. Taking up to fifteen days of leave to spend time with a military member who is on short-term, temporary rest and recuperation leave during deployment;
8. Attending certain post-deployment activities, including attending arrival ceremonies, reintegration briefings and events, and other official ceremonies or programs sponsored by the military for a period of 90 days following the termination of the military member's covered active duty status, and addressing issues arising from the death of a military member; and
9. Any other event that the employee and the Company agree is a "qualifying exigency."

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

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

1. The Military Member who, while on active duty with the United States Armed Forces, the National Guard or Reserves, suffered or aggravated a "serious injury or illness" that:
  - a. Requires the military member to undergo medical treatment, recuperation, or therapy as a result of that serious injury or illness; or
  - b. Places the military member on the temporary disability retired list.
2. The Military Member is a veteran of the Armed Forces, the National Guard, or Reserves ("Veteran Military Member") who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave who suffered or aggravated a "serious injury or illness" that:
  - a. Requires the Veteran Military Member to undergo medical treatment, recuperation, or therapy as a result of that serious injury or illness.

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

Certain restrictions on these benefits may apply.

### **Notice & Certification**

If you need family and medical leave and/or Military Caregiver Leave, you may be required to provide:

1. 30-day advance notice when the need for the leave is foreseeable--where the need for leave is unforeseeable, please inform the Company as soon as reasonably practicable;
2. Medical certification from a health care provider (both prior to the leave and prior to reinstatement) or, for Qualifying Exigency Leave, a copy of the military member's active duty orders or other documentation issued by the military that indicates that the military member has been deployed to covered duty in a foreign country and the dates of the military

member's deployment to that foreign country or for Rest and Recuperation leave, a copy of the military member's Rest and Recuperation leave orders, or other documentation issued by the military setting forth the dates of the military member's leave. In addition, for Qualifying Exigency Leave, an eligible employee may be required to provide certification of the exigency necessitating leave. In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from requesting or requiring genetic information of an employee or family member of the employee, except as specifically allowed by this law. To comply with GINA, the Company is asking that employees not provide any genetic information when responding to this request for medical information. Please see the Requests for Medical Certification policy in this Handbook for more information;

3. Periodic recertification; and
4. Periodic reports during the leave.

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

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

### **Compensation During Leave**

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

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

### **Benefits During Leave**

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

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

### **Job Reinstatement**

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

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

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

### **Unlawful Acts**

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

For additional information about eligibility for family/medical leave, contact your supervisor.

## **7.5. California Family Rights Act Leave**

### **Employee Eligibility**

The Company will grant eligible employees an unpaid leave under the California Family Rights Act (CFRA) in certain circumstances. As of January 1, 2021, CFRA applies to private employers of five or more employees, not only those with at least 50 employees. To qualify for CFRA leave, employees must have worked for the Company for at least 12 months and have worked at least 1,250 hours in the 12-month period before the CFRA leave begins.

### **Leave Available**

This leave may be up to 12 workweeks in a 12-month period, which is defined as a calendar year, for any of the following reasons:

- The birth, adoption, or foster care placement of your child.
- To care for your own serious health condition.
- To care for the serious health condition of your child, spouse, registered domestic partner, parent, grandparent, grandchild, or sibling.
- As of January 1, 2021, a qualifying exigency related to the covered active duty or call to covered active duty of an employee's spouse, registered domestic partner, child, or parent in the US Armed Forces, as specified in Section 3302.2 of the California Unemployment Insurance Code].

Further, as of January 1, 2021:

- The definition of child under CFRA expands to include a child of any age and the child of a registered domestic partner; and grandparent, grandchild, and sibling are additional family members covered under CFRA.
- If both parents are employed by the same employer and are eligible for CFRA leave due to the birth, adoption or foster care placement of their child, each parent is entitled to take up to 12 workweeks in the one-year period after the child's birth, adoption, or foster care placement.

## **7.6. Pregnancy Disability Leave**

### **Employee Eligibility**

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

### **Leave Available**

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



and if it may be reasonably accommodated. Under some circumstances, employees may take pregnancy disability leave intermittently.

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

### **Notice & Certification Requirements**

You must provide the Company with reasonable advance notice of your need for a pregnancy disability leave. An employee must provide at least 30 days advance notice before the start of reasonable accommodation, transfer or pregnancy disability leave if the need is foreseeable. If the employee is unable to give 30 days' advance notice because it is not known when reasonable accommodation, transfer or leave will be required to begin or because of a change in circumstances, a medical emergency or other good cause, notice must be given as soon as practicable. In addition, you must provide the Company with a health care provider's statement certifying the last day you can work and the expected duration of your leave. The Company will provide you with a medical certification form for your health care provider to complete. When leave is foreseeable and at least 30 days' notice has been provided, the employee shall provide the medical certification before the leave begins. When this is not practicable, the employee shall provide the medical certification to the Company within 15 calendar days after the Company's request, unless it is not practicable under the particular circumstances to do so despite the employee's diligent, good faith efforts.

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

### **Compensation During Leave**

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

### **Benefits During Leave**

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

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

### **Reinstatement**

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

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

## **7.7. Workers' Compensation Disability Leave**

### **Employee Eligibility**

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

### **Notice & Certification Requirements**

You must report all accidents, injuries, and illnesses, no matter how minor, to your immediate supervisor. You must also provide the Company with a health care provider's statement certifying your work-related illness or injury, your inability to work, and the expected duration of your leave.

In providing this medical certification, the Company shall comply with the provisions of the Genetic Information Nondiscrimination Act of 2008 (GINA), which prohibits employers from

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

### **Compensation During Leave**

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

### **Benefits During Leave**

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

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

### **Reinstatement**

Upon the submission of a medical certification that you are able to return to work, you will be reinstated in accordance with applicable law. If you are disabled due to an industrial injury, the Company will attempt to engage in the interactive process with you to determine if there is a reasonable accommodation that may be provided to enable you to perform the essential functions of your position to the extent that doing so would not create an undue hardship for the Company. If you are returning from a workers' compensation disability leave that runs concurrently with a family and medical leave, then the provisions of the family and medical leave policy will also apply.

## **7.8. Military Leave**

An eligible employee who enters the Armed Forces of the United States will be placed on extended leave without pay in accordance with applicable federal and California laws (e.g. the Uniformed Services Employment and Reemployment Rights Act and the California Military and Veterans

Code). Upon completion of military service, the Employee will be reinstated with full seniority to their former position or to a comparable position, if application for reemployment is made within 90 calendar days of release from the service or hospitalization following such service.

An employee who is a member of the National Guard or a reserve component of the Armed Forces shall, upon furnishing a copy of the official orders or instructions, be granted a military training leave. Training leaves will not, except in an emergency or in the event of extenuating circumstances, exceed two weeks a year, plus reasonable travel time.

### **7.9. Military Spouse Leave**

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

Employees must request this leave in writing to their supervisor within two business days of receiving official notice that their spouse will be on leave. Employees requesting this leave are required to attach to the leave request written documentation certifying the spouse will be on leave from deployment.

### **7.10. Civil Air Patrol Leave**

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

## **Notice**

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

## **Reinstatement**

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

## **7.11. Organ Donation or Bone Marrow Donation Leave**

### **Employee Eligibility**

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

### **Leave Available**

Organ Donation or Bone Marrow Donation Leave is a paid leave of absence. For Organ Donation, eligible employees are permitted to take a paid leave of absence not exceeding thirty (30) business days in any one-year period. For Bone Marrow Donation, eligible employees are permitted to take a paid leave of absence not exceeding five (5) business days in any one-year period. The period during which the paid leave may be taken is measured from the date the employee's leave begins and consists of twelve (12) consecutive months. The leave described under this section may be taken at one time or intermittently, but in no event shall exceed the amount of leave described herein.

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

### **Notice & Certification**

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

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

Employees must use their available sick leave before they will be eligible to receive Organ Donation Leave benefits.

Employees must use their available sick leave before they will be eligible to receive Bone Marrow Donation Leave benefits.

## **Benefits During Leave**

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

## **Reinstatement**

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

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

## **Unlawful Acts**

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

### **7.12. Bereavement Leave**

All employees regardless of their employment status are eligible to take time off for bereavement when there is a death in the immediate family. This leave will be without pay. Each leave is for one day unless additional time is approved prior to departure. Immediate family members are defined as spouse, registered domestic partner, mother, father, sister, brother, child, child of your spouse or registered domestic partner, or grandparent.

### **7.13. Civic Duty Time Off**

The Company encourages employees to serve on jury or witness duty when called. You must notify your supervisor of the need for time off for jury or witness duty as soon as a notice or summons from the court or a subpoena is received. If the appearance in court is unscheduled or an emergency appearance, advance notice is not required, but you may be required to provide

evidence from the court within a reasonable time after your appearance that shows you appeared in court.

Jury and/or witness duty is unpaid. If desired, an employee may use any available paid time off. Verification from the court clerk of having served may be required. On the days you take off from work to perform jury duty or witness duty, you will be expected to return to work for the remainder of your work schedule if time permits.

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

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

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

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

#### **7.15. Voting Time**

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

### **7.16. Volunteer Civil Service Leave**

Eligible employees who are registered as a volunteer firefighter, reserve peace officer, or emergency rescue personnel (e.g. any officer, employee, or member of a fire department or fire protection or firefighting agency, or of a sheriff's department, police department, or a private fire department, whether a volunteer or paid worker, or any officer, employee, or member of a disaster medical response entity sponsored or requested by the state) who would like to perform emergency duty during work hours must notify their supervisor. Also, please alert your supervisor before leaving the premises when summoned for emergency duty.

In addition, eligible employees who perform emergency duty as a volunteer firefighter, reserve peace officer, or as emergency rescue personnel shall be permitted to take up to 14 days per calendar year as a temporary leave of absence in order to attend fire, law enforcement or emergency rescue training. Prior to taking time off for this training, employees must notify their supervisor of their intent to attend the training session.

All time off to serve as a volunteer is unpaid.

### **7.17. Literacy Education**

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

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

### **7.18. Victims of Domestic Violence, Sexual Assault and Stalking**

If an employee is the victim of domestic violence, sexual assault or stalking, time off may be necessary to seek judicial relief to help ensure the health, safety, or welfare of the employee or a child. This may include efforts to obtain a temporary restraining order, a restraining order, or other injunctive relief from a court.

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



from the court or prosecuting attorney that the employee has appeared in court within a reasonable time after the court appearance.

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

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

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

#### **7.19. Time Off for Victims of Serious Crimes**

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

### **SECTION 8: TERMINATION OF EMPLOYMENT**

Employment with the Company is voluntary and subject to termination by the employee or the Company at will, with or without cause, and with or without notice, at any time. Nothing in this policy shall be interpreted to conflict with or to eliminate or modify in any way the employment-at-will status of employees.

A voluntary termination of employment occurs when an employee submits a written or verbal notice of resignation, including intent to retire, to his or her supervisor or when an employee is absent from work for three consecutive workdays and fails to contact the employee's supervisor (job abandonment). Involuntary termination of employment, including a layoff of over 30 days, is a management-initiated dismissal with or without cause. A termination due to the death of an employee will be made effective as of the date of death.

### **8.1. Voluntary Termination**

The Company will consider an employee to have voluntarily terminated their employment if an Employee does any of the following:

- Elects to resign from the Company;
- Fails to return from an approved leave of absence on the date specified by the Company unless otherwise agreed to by the employee's supervisor; or
- Fails to report for work without notice to the Company.

### **8.2. Involuntary Termination**

While the decision to commence employment is consensual, the same is not always true when the time comes to terminate the employment relationship. As an at-will employer, the Company reserves the right to end the employment relationship at any time, with or without cause or notice. In the event your employment is terminated, please return all property owned by the Company to your supervisor prior to your departure.

### **8.3. Employee References and Verifications**

Employees wishing to receive either an employment reference or an employment verification should provide written authorization to the Company. The Company's policy is to disclose only the dates of employment and the title of the last position held. For this purpose, Sunstates is proud to offer The Work Number to all employees for the purpose of such employment verifications. The Work Number provides immediate, twenty-four hour, employment verifications. Employees or vendors can call 800-367-5690 and provide the employer code of 16945. For more information contact your local Regional Office.

Employees contacted by outside sources requesting an employment reference or employment verification for a current or former employee should not provide any information to the requesting individual or organization. Instead, employees should refer the requesting individual or organization to Human Resources.

### **III. PRIVATE SECURITY GUARDS**

#### **SECTION 9: PRIVATE SECURITY GUARD PRE-EMPLOYMENT POLICIES**

The duties of a Security Officer are many and diverse. Some are outlined in this Handbook, some by Post Orders, and some by the exercise of reason and good judgment. In performing duties, the Security Officer's conduct, appearance, and association with the public must be such that the Officer will be recognized as a responsible employee who is capable of safely and effectively performing the requirements of the job. This part of the Handbook is devoted to describing some general duties and responsibilities with which a Security Officer will be most concerned during employment. Refer to your job description and Post Orders for additional information.

##### **9.1. Security Guard Registration and Background Checks**

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

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

6. You must supply the office with a copy of your current registration card and all required certifications.
7. You must immediately report to your supervisor if any law enforcement officer charges you with any offense.

## **9.2. Security Guard Training**

Security guards will receive extensive training during the new-hire period, when changing assignments and annually. Training includes, but is not limited to:

- general duties and rules
- legal authority
- de-escalation techniques
- detention and “use of force” procedures
- administrative and reporting procedures
- safety, accident prevention and emergency response procedures
- site-specific duties such as fire and hazardous materials, civil defense, traffic direction, equipment operation, crowd control, and client notification requirements. If you are ever unsure of your duties or how to complete a task, contact your supervisor immediately.

## **9.3. Use of Force Policy**

The Company’s primary responsibility is to observe and report. The Company has established this Use of Force Policy and it is applicable to all security officer personnel. Force is defined as any physical effort used to control, restrain or overcome the resistance of another. The level of force used is based upon the totality of the circumstances surrounding the immediate situation. The Company’s employees must use only that force that appears reasonably necessary to bring an incident under control, while protecting the lives of others and themselves.

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

### **Power to Arrest, Search and Detain**

Security officers do not have police powers beyond that of any ordinary citizen, and must operate under the laws permitting private person arrests and use of reasonable force. Security officers are not permitted to touch, search or arrest any individual except under limited circumstances. Security officers may touch, search or detain an individual only:

- When the individual has consented to the search freely and voluntarily.

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

## **Use of Force**

Security personnel must exercise caution and good judgment when considering the use of any type of force. If faced with a clear and immediate threat of bodily harm, security personnel should always consider retreating if reasonable to do so at the time. Use of force should be employed only as follows:

- If reasonable to protect yourself or others from a clear and immediate threat of bodily harm or injury.
- Use only the amount of force reasonably necessary to repel an attack or threat of attack or to effectuate a lawful detention or citizen's arrest.
- Never use deadly force just to protect property.
- If a use of force situation arises, call the police for assistance and company management.

Record all incidents in an Incident Report, as appropriate (a verbal report must be made immediately).

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

## **Documentation, Reports and Logs**

The Security Officer's written report is the permanent record of incidents, circumstances, and conditions which have been brought to their attention, or in which the officer has been involved. It provides a documented, written record of facts, times, dates and circumstances regarding incidents and can provide further support to law enforcement with investigations. The written report may also be admissible in court as a part of criminal suits or civil suits, claims, and complaints which may develop after an incident.

The Security Officer must complete a report, in writing, of every suspicious occurrence, incident or condition that may require an investigation at a later time, or that is to be made a part of permanent records.

In the event of a physical altercation involving an employee, you must make every effort to secure names and addresses of all witnesses and of those persons involved. You must submit a detailed written Incident Report of the incident to your supervisor as soon as possible, and within 24 hours.

It is prohibited to release these reports to any third party without prior consent from your supervisor. Completing time or patrol logs in advance of the action is also prohibited and may constitute alteration or falsification of records, thus, may be grounds for termination of employment.

- **Contents of the Report** – The Incident Based Report (IBR) may vary based on site instructions; however, it must contain all pertinent information. A good rule-of-thumb is to answer the following questions: ‘WHO’, ‘WHAT’, ‘WHEN’, ‘WHERE’, ‘HOW’, and ‘WHY’.
- **Witnesses** – Parties who are witness to the incident should be documented on the report, supplying their full name and contact information if appropriate. If the police are to be called, the Security Officer should request all persons present to wait for their arrival. If this is not possible, the Officer should obtain a statement from the witnesses, in writing, as to what took place and submit that information with the report.
- **Field Note Book** – All Officers on duty shall carry a pocket-size note pad and pen to be able to record important information and field notes, as necessary. It is important to know that such field notes can and will be admissible in a court of law, so they should only contain facts as known to the Officer writing them.

The Company’s supervisors are required to submit to the Company daily activity reports, and any Incident Reports. The reports must be printed legibly in English, with the correct spelling and grammar, and as accurate and detailed as possible.

Where appropriate, all use of force incidents shall be reported to BSIS in accordance with Business & Professions Code sections 7583.2, 7583.4, and 7599.42

#### **9.4. Weapons**

Without specific authorization of the Company’s management review team, no officer is to carry or possess any weapon while on duty. When approved to carry such weapon, and when a weapon requires a permit, it is the officer's responsibility to make sure that they have and maintain a current permit, which includes any training and fee payments necessary. Failure to have a current permit will require that the officer be removed from the post or patrol if such a weapon is required as part of the job. It is the officer's responsibility to always carry the permit and ensure copies of all

permits are on file at the Company. Failure to do so may result in disciplinary action up to and including termination of employment.

A definition of weapons can be described as any type of equipment that can be used as a weapon, including but not limited to: firearms, knives, batons, tear gas, stun guns, mace, pepper spray, flashlights, or any other weapon described in the penal code.

Officers are not to have any weapon stored in their vehicle while on duty at a client work site, whether they are properly stored or not. Violation of this policy may result in immediate termination of employment and prosecution.

Any time an individual is seen with a weapon that is not authorized, staff is instructed to call the on-duty supervisor immediately.

Failure of our employees to abide by this policy may lead to disciplinary action up to and including termination of employment.

#### IV. CONCLUSION

The management of Sunstates Security, Inc. thanks you for taking the time to thoroughly read our Employee Policy and Procedure Handbook.

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

If you have any questions or want more information, please contact your supervisor, regional manager, or Human Resources/Legal, who will be happy to help you with any questions.

Yours in Service,

A handwritten signature in cursive script that reads "Glenn P. Burrell".

Glenn P. Burrell, CPP  
President



## **ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK AND AT-WILL AGREEMENT**

This is to acknowledge that I have received a copy of Sunstates Security, Inc.'s (the "Company") Employee Handbook, issued in 2021, and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities, and obligations of employment with the Company. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies, and standards set forth in the Employee Handbook.

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

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

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

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

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

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

Employee's Name (Print): \_\_\_\_\_

Employee's/Applicant's Signature: \_\_\_\_\_

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

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

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

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

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

Employee's Name (Print): \_\_\_\_\_

Employee's/Applicant's Signature: \_\_\_\_\_

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

**ACKNOWLEDGEMENT OF RECEIPT OF  
DRUGS & ALCOHOL POLICY**

I acknowledge that I have received a copy of Sunstates Security, Inc.'s Drug and Alcohol Free Workplace Policy.

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

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

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

Employee's Name (Print): \_\_\_\_\_

Employee's/Applicant's Signature: \_\_\_\_\_

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