



ARIZONA PIPELINE CO.

California Office Employee Handbook



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WELCOME TO OUR COMPANY

Welcome to Arizona Pipeline Co. (“APL”). We are pleased that you have chosen to join the team of individuals who have earned APL its unique place in the industry.

To help pave the way in your new surroundings, we have prepared this handbook. It contains information, policies and facts you will want to know about APL and your job. As you read this handbook, we hope you will better understand the opportunities for personal growth, advancement, and security.

After you read this handbook, please keep it for future reference. If you ever have any questions regarding its contents, please feel free to ask your supervisor, division manager or any other manager.

We are an Arizona Corporation licensed in Arizona, California, Nevada, Utah, New Mexico, Oregon and Washington. Our main office is in Hesperia, California. We also maintain construction yards in three states: Hesperia and Corona, California; Phoenix and Tucson, Arizona, as well as Las Vegas and Reno, Nevada. We are an open shop, underground utility contractor specializing in gas distribution, long line pipeline, power distribution, power transmission, telecom, fiber optics placement, underground and aerial, engineering and design, sewer and water and storm drain. With a full engineering and design team, the Company has the ability to design fiber optic systems, power systems, gas distribution and transmission systems.

Duane Moyers, who has 60+ years of experience in underground utilities and the pipeline industry, founded Arizona Pipeline Company in 1979. We have enjoyed a select bid list position with most of our clients through a sound financial base, qualified personnel, efficient service, quality work and, last but not least, an extremely competitive approach to the construction industry. Today, Nina Moyers is the Company’s CEO/President. She has led an experienced and committed team of professionals through a period of growth and expansion.

A critical component of APL’s success is our understanding of the customer’s needs and our ability to properly bid and deliver the product as contracted. APL prides itself on quality work. We work as a team and need the full support and cooperation of every employee in order to be successful. It is our intention to provide and require ethical conduct in our work place and in all of our relationships with vendors, customers, and working colleagues.

APL is committed to a standard of excellence in our products and the services that we provide to our customers. Our employees have participated in our efforts to meet this commitment and to achieve a standard of excellence. Because APL and its employees are judged on their performance and results, it is important that both retain the ability to determine their own relationships with one another. Consequently, it is also important to note that employees and APL share the right to sever the employment relationship at will, at any time, with or without cause or advance notice. Our degree of success is measured by our ability to produce high quality work in a highly competitive industry. We acknowledge that this common interest can best be served in an atmosphere of harmonious cooperation.

APL is also committed to promoting positive employee relations programs and to maintaining a person-to-person working relationship with all employees. You can always work directly with your supervisors and division manager without having to call in a third party to represent or speak for you. In fact, we have a written open door and grievance policy to help you in case you need it.

To achieve our goals, APL will strive to maintain the following policies:

1. To provide pleasant and safe working conditions.
2. To provide the opportunity to advance by the development and acquisition of additional knowledge and skill.
3. To maintain a safe and healthful work environment. Periodic safety meetings are held and if necessary Company topics will be communicated at that time.
4. To maintain wage policies, to the extent our competitive position allows, which will provide a fair and just compensation.
5. To provide a performance management system to enable each individual to have an awareness of his/her attainments and progress.
6. To make every effort, consistent with efficient operations, to provide stability of employment.
7. To provide good supervision in a professional and courteous manner.
8. To recognize that it is people who make a Company, each doing his/her individual job well, and having pride in his/her work.
9. To create an effective organization with well-developed plans and well-defined goals for high achievement and success.

We are delighted to welcome you to the APL family.

Nina Moyers

CEO/President

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- ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK
- HARASSMENT POLICY ACKNOWLEDGMENT FORM
- COMPUTER NETWORK, E-MAIL AND INTERNET USAGE POLICY
- and SOCIAL MEDIA POLICY - EMPLOYEE ACKNOWLEDGMENT FORM

SECTION 1

**GENERAL INFORMATION AND
EMPLOYMENT STATUS**

SECTION 1 GENERAL INFORMATION AND EMPLOYMENT STATUS

A. *About this Handbook and your Employment Relationship*

Arizona Pipeline Co. (“APL”) has prepared this Handbook to provide employees with an overview of the Company’s policies, benefits, and rules. It is intended to familiarize employees with important information about the Company, as well as information regarding your own privileges and responsibilities and those of the APL management team. Although it is not a contract or a legal document, it is important that each employee reads, understands, and follows the provisions of this Handbook.

It is obviously not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. In addition, circumstances will require that policies, practices, and benefits described in this Handbook change from time to time. Accordingly, APL must reserve the right to modify, supplement, rescind or revise any provision of this Handbook (except for the at-will employment policy) as it deems necessary or appropriate. The amendments will be made by management in its sole and exclusive discretion. Employees will, of course, be advised of changes that occur.

The purpose of this Employee Handbook is to inform you of APL’s work policies for how the Company operates. This Handbook will tell you what is expected in return for your employment. We urge you to read it completely. This Handbook outlines the Company’s benefits, rules, and important personnel policies for employees. Nothing in this Handbook is intended to interfere with your rights to engage in any protected concerted activity. Instead, it is designed as a guide to ensure consistent, fair, and uniform treatment of all employees. You will be held responsible for knowledge of its contents.

B. *Your Supervisor*

Your supervisor is the person you should look to for guidance and assistance. Part of your supervisor’s job is to see that you are properly instructed and that your questions are answered. Your supervisor will explain your job and what is expected of you.

Your supervisor has the responsibilities of carrying out Company policies, assigning work, maintaining production efficiency, safe working conditions, transfers, discipline, suspension, termination, as well as maintaining customer service objectives. Supervisors also have input and recommendations on promotions.

Give your supervisor an opportunity to use his or her experience and training to help you. Check with your supervisor if you are not certain about anything pertaining to your job or with the Company. It may save you from making a serious mistake. Inform your supervisor immediately when equipment does not seem to be working right or when you see a safety hazard.

Your development into a productive and satisfied employee is of importance. You can help your supervisor by giving your full cooperation.

C. Your Responsibilities

As an employee, you are expected to devote your full time and ability to your job during working hours, as well as conducting yourself so as to reflect a professional image to both yourself and the Company. You are expected to observe Company rules, and to work cooperatively and safely with others throughout the Company.

APL expects that employees conduct themselves in relation to fellow employees, customers and the public in a manner that shows integrity, sound judgment and discretion with proper regard to quality and quantity of work, as well as consideration for your fellow workers. Courtesy and respect are an important aspect of all interpersonal relations. The standards set forth in this Employee Handbook address specific areas concerning your rights, responsibilities and role as a Company employee.

D. Personnel Administration

The Company provides employees with information and necessary assistance to understand all APL policies and to promote a positive work environment. APL strives to maintain complete and up-to-date personnel records for all current employees at the corporate headquarters. Please promptly notify the office of any changes in your name, marital status, number of dependents, home address, and telephone number. In this manner, the benefit status and information for all employees can be kept current and accurate. (APL will not discharge, retaliate against, or take adverse action against, an employee who updates or attempts to update his or her personal information based on a lawful change of name, social security number or federal employment authorization documents.)

The Human Resources Department, headquartered in Hesperia, California administers all Human Resources operations and functions. Final personnel decisions and policies will be made in the discretion of executive management.

E. References

Because of the serious legal consequences that can result from a careless or unfavorable job reference, APL **will respond only to written requests for information** about current, retired or terminated employees. All such requests must be referred to the HR Department who will provide:

- Dates of Employment
- Title(s) or Position(s)
- Wage or Salary Level(s)
- Eligibility for re-hire (yes or no)

No one is to be given an opinion or assessment of job performance or attitude. Any employee who fails to comply with this policy is subject to discipline, up to and including discharge.

From time to time APL may receive inquiries from third parties regarding employees, such as a bank verifying employment for an employee applying for a mortgage or personal loan. All

requests for reference information should be directed to the HR Department. Normally APL will respond only to written inquiries. If a telephone reference inquiry is received, the HR Department will typically only verify whether an individual is employed or no longer employed and will inform the caller that he or she must submit a written request for additional information. Generally, information will be released only after a written release has been received from the current or former employee, whichever the case may be. However, APL reserves the right to release any information it deems appropriate in its discretion without authorization.

GENERAL RULES OF BUSINESS BEHAVIOR

Whenever people are required to work together for any purpose, they need certain guidelines to govern their personal conduct and relations. The Company considers work rules to be an important responsibility. They are a necessary part of managing our business so that employees are treated fairly and are encouraged to work safely and effectively. These rules apply to all employees.

Employees are expected to meet acceptable standards of conduct and performance. These are set forth in detail in **Section 7, Standards for Performance and Personal Conduct**. Satisfaction of these standards not only promotes productivity and efficiency, but also helps to ensure that all employees will enjoy a pleasant and cooperative work environment. APL views compliance with these common sense rules to be an important responsibility of every employee. Consequently, violation of these rules may lead to disciplinary action up to and including discharge.

As explained elsewhere in this handbook, employment continues only at the mutual consent of the employee and the employer. Employment is therefore terminable at will, at any time, either by the employee or the employer with or without cause or advance notice. Accordingly, APL does not adhere to any formal system of discipline. Nevertheless, where management determines it to be appropriate, we may attempt to give an employee a prior written or oral warning and an opportunity to improve or correct a performance and/or attitude problem before discharge from employment.

It is of course impossible to identify every type of possible misconduct, infraction, or performance problem that can result in disciplinary action up to and including discharge. The following is a general statement of expected business behavior by APL employees:

1. No matter what the situation or circumstance, we ask that you display a positive attitude.
2. Be willing and able to take instructions and learn new procedures. Be open-minded and accept constructive criticism.
3. Maintain a high level of personal conduct and treat co-workers with respect, courtesy and dignity.
4. Be friendly and professional to all co-workers, customers, and others with whom you come in contact on the job.

5. Be willing to assume responsibility and share roles and job requirements as each situation dictates.

ACCESS TO PERSONNEL FILES

APL's Human Resources Department maintains a personnel file and, when applicable, a separate medical file for each of its employees. Information kept in the files is maintained in compliance with state and federal laws and regulations. The files and the information they contain are Company property.

Personnel files are the property of APL and access to the information they contain is restricted. Generally, only supervisors and management personnel who have a legitimate reason to review information in a file are allowed to do so.

Managers and supervisors with a business need to review any employee's personnel file must request authorization from the Human Resources Department. Files must be reviewed in the Hesperia Corporate Headquarters under the direction of the Human Resources Manager or senior management and may not be removed from the premises by anyone.

A. Access to Personnel Files by Employee

An employee may review and obtain a copy of his or her personnel file in accordance with California state law. Contact the Human Resources Department if you have questions or wish to access your file. An employee must pay for actual copying costs.

In addition to access by the employee, access may be granted by the HR Department when the information is needed for Company business, when the employee gives written authorization, when a subpoena is served, or in other appropriate situations as determined by the HR Department.

B. Access to Personnel Files by Other Employees and Supervisors

Access to personnel files is limited to supervisory employees as required in the performance of their work. Access to medical records will be provided to other employees and supervisors only on a need-to-know basis in accordance with applicable law (for example, supervisors may be advised of work restrictions and accommodations needed by the employee).

C. Access to Personnel Files by Non-employees

Generally, a subpoena will be required in order for a non-employee to gain access to the information. Exceptions, such as providing information to state unemployment agencies, both federal and state investigators, official audits by government or customers and similar requests for access, may be made by the HR Manager in conjunction with senior management, after confirmation of the identity of the agency and individual.

Applicable law may require disclosure of employee information to government agencies without prior notice to the employee. Your written consent is not required with authorized requests for information from governmental agencies conducting investigations or issuing subpoenas. You will be notified by the Company of such requests if allowed by law.

With respect to medical records, even with a subpoena, management will first consult with legal counsel prior to compliance with the subpoena. At the discretion of the HR Manager and/or senior management, the employee may be advised of the existence of a subpoena for medical records in order to be given an opportunity to seek to quash that subpoena.

Absent a subpoena, employee information of current and past employees, including pay, home address, telephone number, length of service, and medical conditions will only be released to a third party with the written consent of the employee.

EMPLOYMENT AT-WILL

Employees of our Company are employed at-will, and for an indefinite period and without any expectation of continued employment. Being employed “at-will” means that an employee may resign at any time, for any reason or no reason, with or without notice, and with or without cause. Likewise, the Company may terminate an at-will employee at any time, with or without notice, for any reason or no reason, and with or without cause.

At-will status means that an employee can be terminated lawfully at-will, even if the employee’s conduct doesn’t rise to the level of “good cause,” or involve other misconduct or violation of workplace standards of behavior. For example, an at-will employee can be terminated for performance that is deemed deficient or unsatisfactory in the Company’s sole discretion, even if the unsatisfactory performance is not intentional or negligent. In addition, APL may also terminate an employee for misconduct or breach of standards of conduct as set forth in this Handbook.

No employee or other Company representative can modify this at-will employment policy in any manner or enter into any agreement that is contrary to this policy, unless the modification is set forth in an individually-negotiated, fully-integrated, written employment contract that is signed both by you and by the Company’s CEO or President, and that employment contract provides for employment other than on an at-will basis.

EMPLOYMENT CATEGORIES

In order to determine eligibility for various benefits, and to better define the terms and conditions of employment, the following employment categories have been established:

A. Introductory Employees

Employees are hired by APL on an introductory basis for a period of 90 days for the purpose of assessing their ability and suitability to perform assigned tasks. Introductory employment is also subject to the at-will employment policy, and employment can be terminated at-will by either party at any time, with or without cause, during the introductory period (the same as during regular employment). Although employees accrue vacation from the beginning of employment, employees are not eligible to take vacation time, or to receive paid holidays, until they satisfactorily complete 90 days of continuous employment. The Company, at its sole discretion, can elect to extend the introductory period, when it deems it appropriate to do so.

Introductory employees are not eligible for medical or dental coverage until the first day of the month following their satisfactory completion of 60 days of continuous employment.

B. Regular Full-Time Employees

Employees who successfully complete their training and introductory periods and are regularly scheduled to work at least a 30-hour week are “regular” employees. Such employees are subject to the Company’s at-will employment policy, as explained above. Employees who regularly work at least 30 hours a week are eligible for medical insurance benefits.

C. Part-Time Employees

Employees who successfully complete their training and introductory periods and are regularly scheduled to work less than 30 hours per week are part-time employees. Such employees are subject to the Company’s at-will employment policy, as explained above. Part-time employees are not eligible for vacation pay or paid holidays.

D. Payroll Classifications

1. Non-Exempt Employees

Non-exempt employees include all employees who are covered by the overtime provisions of the Federal Fair Labor Standards Act or any applicable state laws. Employees in this category are entitled to premium pay for work in excess of 8 hours in a work day or 40 hours in a work week. Such employees include, but are not limited to, clerical and secretarial workers.

2. Exempt Employees

This category includes all employees who are classified by APL as exempt from the overtime provisions of the Federal Fair Labor Standards Act and any applicable state laws. Such employees include employees who qualify as exempt executive, administrative or professional employees or as outside salespersons.

CALIFORNIA SAFE HARBOR POLICY FOR EXEMPT EMPLOYEES

It is our policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure you are paid properly and no improper deductions are made, you should review your pay stubs promptly to identify and to report all errors. Exempt employees receive a salary which is intended to compensate you for all hours you work for APL. This salary will be established at the time of hire or when you become classified as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work you perform.

Under wage-hour law, your salary is subject to certain deductions. For example, deductions can be made from your salary for the following reasons:

- Full-day absences for personal reasons.

- Full-day absences for sickness or disability, if you have exhausted the paid vacation and sick leave time available to you.
- Intermittent absences, including partial-day absences, covered by the federal Family and Medical Leave Act, if you have exhausted other paid leave available to you.
- To offset amounts received as payment for jury and witness fees or military pay.
- During the first or last week of employment in the event you work less than a full week.
- Any workweek in which you perform no work for APL.

Your salary also may be subject to certain types of deductions, such as your portion of health, dental or life insurance premiums; state, federal or local taxes; social security; voluntary contributions to a 401(k) or pension plan; or Company auto expenses that you incur for personal or non-business purposes.

PAYROLL PRACTICES

A. *Work Week*

For payroll purposes, the workweek normally consists of five workdays, with work shifts that may vary depending upon business needs. You will be advised by your supervisor or a manager about your shifts and schedule. APL makes no guarantee of full-time work each workweek for each employee.

It is essential for the success of the Company that APL meet its work schedules on time. To accomplish this, regular and prompt attendance is required of all employees.

B. *Start/Finish Time and Payroll*

1. The Company's office hours vary by location and business needs. Field location shifts vary, depending upon the customer. Generally they are 7:00 a.m. to 3:30 p.m. Your supervisor will provide you with specific information on shift times and work schedules, which may change periodically depending upon business needs.
2. Paydays are every Friday. When payday falls on a holiday, checks are distributed the last working day before the holiday. Normally, employees are the only persons eligible to receive paychecks. If it is necessary for another person to pick it up for you, you must provide that person with a signed authorization or receive approval in advance.
3. Payroll status changes should be submitted prior to the applicable pay period.
4. Pay Rates: It is APL's intention to pay wages that are comparable to those paid by other representative companies in our industry. These rates are intended to compensate employees fairly for a specific job performed. Wage rates are reviewed periodically. As far as the Company is concerned, your pay is a private matter,

unless you disclose it to others. APL will not release your pay information to any person or organization making inquiry unless authorized by you in writing, or unless required by government agency or subpoena.

C. *Overtime Pay*

1. The nature of our business may periodically require overtime. APL will try to accommodate employees' schedules. However, overtime is part of the job. Employees who unreasonably refuse to work overtime when requested to do so may be subject to discipline, up to and including termination of employment.
2. Non-exempt employees are to be paid for all hours worked, in accordance with all state and federal wage-hour requirements.
3. Overtime will be computed only on hours actually worked, not on hours paid but not worked (such as holidays, vacations and approved leaves of absence).
4. All overtime worked by a non-exempt employee will be approved or requested in advance by your supervisor or a manager.
 - a) ***Time Worked*** - Employees shall record all time worked, including time worked over their normal schedule, on the time sheet or time card at the time it actually occurs. Time is rounded up to the nearest quarter hour.
 - b) ***Overtime*** - Overtime pay is calculated at one and one-half times your regular rate for all hours over 8 hours in one work day or 40 hours in one work week, whichever comes first. Work weeks are based on the schedules set forth under the Payroll Practices Section of this handbook. Overtime is computed on the basis of a non-exempt employee's total hours worked in a work day or work week.
 - c) ***Double Time*** – Overtime is paid at a double-time rate after 12 worked hours in one day and after the first eight hours of the 7th consecutive day of work in a workweek. Company policy prohibits employees from working seven consecutive days without prior express approval of senior management.
 - d) ***Weekends*** - There is no premium pay for hours worked on a weekend, unless those hours otherwise qualify as overtime hours under the standards stated above.
 - e) ***Unauthorized Overtime*** - As stated above, all overtime must be authorized in advance by your supervisor or a manager. Employees who work unauthorized overtime will be paid for the overtime worked, but may be subject to disciplinary action up to and including termination of employment. Employees who work any overtime must report it by the end of the pay period in which it is worked. Violations of this policy will also result in discipline, up to and including termination of employment.

D. *Makeup Time Policy*

California wage and hour law allows a nonexempt employee who takes time off for a personal obligation to request permission to make up that work time in the same workweek, at the employee's regular hourly rate of pay – even if the employee works more than eight hours on a makeup day. The makeup time is not counted in the total number of hours worked when computing daily or weekly overtime, unless the total hours worked exceed 11 in a day or 40 in a week (and the Company will not approve a request that would result in overtime being incurred). Employees must make up the time in the same workweek as the time lost. The makeup time can occur earlier or later in that workweek than the time taken off.

A nonexempt employee who requests time off for personal reasons may voluntarily make up the lost work time only as follows:

- The makeup time must be performed in the same workweek as the lost work time.
- Including makeup hours, an employee may work no more than 11 hours on a makeup day, and no more than 40 hours for a workweek that includes makeup hours.
- On each occasion an employee desires to make up lost work time, the employee must complete a Request for Makeup Time form. The request must be approved in writing by your immediate supervisor in advance of the day(s) on which the makeup hours will be worked.
- An employee who knows in advance that he or she has a personal obligation that will recur at a fixed time over several weeks may submit a makeup time request up to four weeks in advance. The makeup time must be performed in the pay period that the absence occurs.
- An employee will be subject to discipline for working any makeup hours under this policy that result in overtime being incurred.
- If approved makeup time is not actually worked during the same workweek, the corresponding lost work time for that workweek will be unpaid.
- If approved makeup time is worked in advance of the requested time off, the employee must take the requested time off even if the time off becomes no longer needed. APL will not solicit, encourage, or require employees to request makeup time. An employee's decision to request use of the makeup time option is entirely voluntary.

E. *Rest Breaks and Meal Periods*

For nonexempt employees, rest breaks are authorized and permitted, and meal periods are provided, in accordance with state law and this policy. An employee's supervisor may schedule meal periods so that your position and duties can be covered by others so that you can have a duty-free period within which to take your meal period.

Nonexempt employees are authorized and permitted to take one duty-free paid rest period of 10 minutes duration during each work period of four hours (or major fraction thereof), unless your total workday is less than 3.5 hours (in which case a rest break need not be authorized). During rest breaks, you are relieved of all duties. Rest breaks should be taken at approximately the middle of each four-hour work period (i.e., during a regular workday, approximately half-way through the morning shift and the afternoon shift). Because rest breaks are paid time, you do not clock out for rest breaks. We expect our employees to determine for themselves when to take their rest breaks, in accordance with this policy. If a key office function needs to be covered at all times during the workday (e.g., switchboard coverage), employees should stagger their rest breaks among themselves so not everyone is on a rest break at the same time. Consult with your supervisor if you have any questions.

The Company also provides each nonexempt employee the opportunity to take a duty-free meal period of at least 30 minutes during any work period that lasts more than five hours (except that, if a work period of no more than six hours will complete your day's work, you may voluntarily choose not to take a meal period that day, and the Company will consent to that waiver). Meal periods are to begin no later than the completion of five hours of work since the beginning of your work period. Nonexempt employees are required to record the beginning time and end time of their meal periods on their time records and may be asked to confirm that they have taken all of their breaks on each workday in the pay period.

In order to assure the continuity of important business operations, you may be asked to take a rest break or meal period at an earlier or later time within your work shift, but only in exceptional circumstances will you be asked to skip or work through a meal period or rest break. If that occurs, you will be compensated in accordance with state law.

If you believe that work requirements have prevented or interfered with your taking a full, timely, or uninterrupted rest break or meal period, you are expected to notify your supervisor immediately.

F. Payroll Deductions

Federal and state laws require the following deductions from every paycheck for Federal tax withholding, State tax withholding, Social Security contributions up to the required annual amount, and State disability insurance (SDI).

Other deductions may be made from your paycheck (normally, with your prior written permission through a payroll deduction authorization form), including, but not limited to:

1. Insurance premiums for dependent coverage offered to eligible employees on an APL group plan.
2. Wage garnishments or tax liens, when lawfully served on APL.
3. Reimbursement to APL for Company property lost or damaged through your willful actions, gross negligence, or dishonesty.

4. Auto expenses incurred that are personal in nature and not business-related. This includes, without limitation, gasoline expenses.

G. Time Cards and Time Sheets

In accordance with California and federal law, APL is required to maintain time records. Time cards and time sheets are official Company documents. Completing or punching in another employee's time card or time sheet or intentionally submitting false time records is a serious violation of Company rules, which will result in termination of your employment. Changes and/or corrections to your time sheet must be authorized and made by your supervisor or a manager.

H. Holiday Pay

APL provides the following paid holidays after completion of the 90-day introductory period:

New Year's Day	Labor Day
President's Day	Thanksgiving Day and Day after
Memorial Day	Independence Day
Christmas Day	Veterans Day

In order to be eligible for holiday pay, you must be a full-time employee. You must work the last working day *prior* to and the first working day *after* the holiday in order to be eligible for holiday pay (unless your absence was due to being on a paid vacation).

I. Vacation Pay

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Regular full-time employees shall begin accruing vacation and shall be eligible to earn vacation benefits **based on years of service**, as follows:

- 0 through 5 completed years of continuous service: 1 week
- 6th year of continuous service, and beyond: 2 weeks

Vacation is **accrued on a weekly basis**. Full-time employees earn vacation hours based on their regular work week schedule, calculated from original start date (i.e., anniversary date). An employee who is regularly scheduled to work a 40 hour week, and who is eligible for one week of vacation on the basis of years of service, will earn 40 hours of vacation during the course of his or her anniversary year. An employee who is regularly scheduled to work 30 hours per week, will earn a vacation week of 30 hours in weekly-based accrual. The number of vacation hours employees accrue each week will be reflected on their weekly payroll records.

Employees may not take paid vacation before it is accrued, without written permission from a Division Manager or senior management. Once accrued, employees may take vacation at any time during the year, based on an approved schedule (except that new employees cannot take vacation until the satisfactory completion of their introductory period).

The scheduling of vacation is based on the Company's operational needs and the requests for vacation and leave of absence of other employees. Whenever possible, vacation periods will

be assigned in accordance with employee requests. If there is a conflict in requests for vacation, subject to business needs, seniority will be considered in approving vacation schedules. Employees must give their supervisor at least 30 days' advance notice before taking their vacation. All vacation requests must be submitted to the HR Department and your Division Manager and approved in advance by the supervisor. If there is a conflict in requests for time off, the person with more seniority may be given preference unless business needs warrant a different decision. The Company reserves the right to deny or postpone an employee's scheduled vacation for operational or business needs. These decisions are in the sole and absolute discretion of executive management.

Employees are strongly encouraged to take their vacation within the anniversary year in which it is earned. At the conclusion of each anniversary year, employees who have not used all of their accrued vacation may elect to cash out 50% of the unused vacation time in a single check in one of the final two pay periods of that anniversary year. APL reserves the right to schedule employees to use any remaining vacation time before their anniversary date is reached. When an employee's anniversary date has been reached, any remaining vacation time that has not been cashed out or taken will be carried over into the next anniversary year, subject to a maximum vacation accrual cap of 175% of the employee's then-current annual vacation accrual. An employee who has reached the vacation accrual cap will not accrue any additional paid vacation time until the employee has reduced the number of available vacation hours below the vacation accrual cap.

If an employee's vacation day falls on an official Company holiday, the day will count as a holiday and not as a vacation day taken.

J. Paid Sick Leave – California Mandated

Effective Date

Effective July 1, 2015, APL will institute a new program for paid sick leave, as mandated by California state law.

Eligibility

An eligible employee is an employee of the Company who beginning January 1, 2015, works in California for 30 or more days within a year of commencing employment.

Accrual and Use of Paid Sick Leave

Effective July 1, 2015, eligible employees will begin to accrue Paid Sick Leave at the rate of 1 hour for every 30 hours worked, subject to the maximum accrual cap. The maximum amount of Paid Sick Leave that an employee can accrue is 48 hours (6 days) per year.

Employees may begin using accrued Paid Sick Leave on the 90th day of their employment. Paid sick leave must be used in increments of at least 1 hour. Employees may use 24 hours (3 days) of paid sick leave each year.

The initial Paid Sick Leave year will run from July 1, 2015, through December 31, 2015. Effective January 1, 2016, the Paid Sick Leave year will be calculated on a calendar year basis. Accrued but unused Paid Sick Leave will be carried over from one year to the next. The maximum an employee may carry over into the next year is 48 hours (6 days). Once an employee has accrued 48 hours or 6 days of Paid Sick Leave, the employee will not accrue any additional Paid Sick Leave until the employee has reduced the accrued sick leave balance to below the 48 hour (6 day) cap.

Paid sick leave may be used for periods of temporary absence due to illness or injuries or for other health maintenance reasons. This includes absences required for the diagnosis, care, or treatment of an existing health condition of an employee or an employee's family member, or preventive care for an employee or the employee's family member. In addition, paid sick leave may also be used for reasons related to domestic violence, sexual assault, or stalking of an employee or the employee's family member. Paid sick leave may not to be used for vacation or personal time off.

No Payout at Time of Termination

Accrued Paid Sick Leave is not paid out at the time of employment separation, but if an employee is rehired by APL within one year of the date of separation, previously accrued and unused sick days will be reinstated upon rehire, and the rehired employee will be able to use such Paid Sick Leave without any waiting period.

Notice

If your need to use Paid Sick Leave is foreseeable (e.g., for reasons of diagnosis, care or treatment of your own health condition or that of a member of your family), you must give APL reasonable advance notification. If the need for your use of Paid Sick Leave for illness or health-related reasons is unforeseeable, you must still give APL notice of your need for Paid Sick Leave usage as soon as possible under the circumstances.

RECRUITING, HIRING AND PROMOTIONAL PRACTICES

APL attempts to hire well-qualified employees through the systematic use of proven recruiting, placement and promotional procedures. The Company applies its Equal Employment Opportunity policy in all areas of recruiting, hiring, and promotional practices.

A. *Promotional Opportunities*

APL prefers to promote qualified employees from within APL whenever possible. Your advancement will depend in part on how well you perform your job task and the initiative you have demonstrated in preparing for greater responsibilities. Experience, education, and seniority will also be considered.

B. *Drug-Free Workplace*

It is the policy of APL to create and maintain a drug-free workplace in keeping with the spirit and intent of the Federal Drug-Free Workplace Act of 1988. It is in the interest of the

Company to maintain a work environment free from the health and safety hazards that are associated with alcohol and substance (drug) abuse, in supplying quality service to our customers and in having and maintaining efficient operations. In this connection, the unlawful manufacture, distribution, dispensation, possession, sale or use of a controlled or illegal drug or substance in any of our facilities or while engaged in Company business is **STRICTLY PROHIBITED**.

For further details, see **APL's separately issued policies on Alcohol and Drug Prevention Plans pursuant to US Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA)**.

C. Employment Applications

APL 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 APL's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

D. Employment Reference Checks; Background Checks

To enhance the likelihood that individuals who join APL are well-qualified and have a strong potential to be productive and successful, it is APL's policy to check the employment references of all applicants, and to perform financial and criminal background checks in some cases, where legally authorized.

In addition, APL recognizes the importance of maintaining a safe workplace with employees who are honest, trustworthy, qualified, reliable and nonviolent, and who do not present a risk of serious harm to their coworkers, visitors or the Company. To further these interests, before hiring an individual APL reserves the right to investigate an applicant's employment history, personal references, and educational background, as well as other relevant information that is reasonably available to the Company.

Criminal background checks are required for employees newly hired, transferred, promoted, reclassified, or reassigned to certain sensitive positions. They are not required for employees holding sensitive positions at the time this policy went into effect. The Company is responsible for initiating the criminal background check. If the background check reveals a conviction relevant to the sensitive position, the individual may be disqualified from holding the sensitive position.

Upon an employee's acceptance of a conditional employment offer, the Company may conduct a background check, with appropriate authorization. A job-related background verification may consist of prior employment verifications, professional licensure, personal or professional references, certification of educational degree or other professional licenses. As appropriate, other background checks may also be conducted. Your employment offer may be conditional and subject to the satisfactory findings of one or more completed background checks.

E. Immigration Law Compliance

APL is required by the federal immigration laws to verify the identity and legal entitlement to work in the United States for all new hires. All offers of employment for positions in the United States are conditioned on furnishing satisfactory evidence of identity and legal authorization to work, and continued employment is conditioned on maintaining legal authorization to work.

APL is committed to full compliance with the federal immigration laws. These laws require that all individuals pass an employment verification procedure before they are permitted to work. This procedure has been established by law and requires that every individual provide satisfactory evidence of his/her identity and legal authority to work in the United States no later than three business days after he/she begins work. Accordingly, all new hires go through this procedure.

FALSIFICATION OF RECORDS

Questions asked on APL's job application and on related employment authorization forms are designed to elicit job-related information that APL needs to have to assess an applicant's qualifications, including eligibility to be employed. The HR Department is to verify that it is signed and that all necessary information has been provided. Any applicant or employee who is found to have provided materially false or misleading information on a job application or other employment-related documents record will be subject to disciplinary action, up to and including termination, unless such information relates to a lawful updating of personal information as permitted by applicable law.

ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, APL expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness places a burden on other employees and on APL. ***The consistent enforcement of this policy is crucial to APL's business, as tardiness of a single employee often impacts the productivity of the entire team.***

Employees are expected to report to work as scheduled, on time and prepared to start work at the assigned time. Field and office employees must be at their workstation at the start of their assigned shift. Employees also are expected to remain at work for their entire work schedule, except for breaks and meal periods or when required to leave on authorized Company business. Late arrival, early departure or other absences from scheduled hours are disruptive and must be avoided. Permission to leave early or arrive late will be solely in the discretion of management. If you require early departure or late arrival for your own serious health condition or to participate in the health care of a seriously ill close family member, the Company's FMLA/CFRA policy on intermittent leave may apply, and you should notify your supervisor of the need for intermittent leave. If the leave is certified by a medical provider, an alternative reduced time schedule may be granted. The Company will also engage in appropriate processes in an effort to provide a reasonable accommodation for any employee who, because of a disability, may need a schedule accommodation.

Employees unable to report to work on time must call their supervisor at least one-half hour before the scheduled time of arrival. In all cases of absenteeism or tardiness, employees will be expected to provide their supervisor with a satisfactory explanation. Excessive absenteeism or tardiness, including continuing patterns of absenteeism or tardiness, will not be tolerated, and may result in disciplinary action up to and including termination. Excessive absenteeism and tardiness, will be determined according to the circumstances involved in each instance. Tardiness is defined as not being at the assigned workstation or job site and ready for work at the commencement of the scheduled shift or at the conclusion of the rest breaks or meal periods.

Decisions on tardiness and absenteeism issues will be made by your supervisor. Two (2) consecutive days of no-call, no-show shall constitute job abandonment and result in immediate termination. Any request for re-employment after an attendance-based termination will require completion of all requirements for a new hire (including any required post-offer drug tests and physicals) and a new introductory period.

PERMISSION TO LEAVE DURING WORK HOURS

If any exempt or non-exempt employee to leave the premises during working hours (other than during a duty-free meal period), permission to leave must be obtained from your supervisor before you leave. Nonexempt employees who leave the premises on personal business or for other personal reasons must punch out when they leave.

Employees should request time off with the appropriate form. Exceptions may be made for emergencies, within the discretion of management.

FAIR TREATMENT / EMPLOYEE RELATIONS AND GRIEVANCE PROCEDURES

APL intends for all employees to enjoy equitable treatment at work, to be treated with dignity, and to receive a response to or resolution of work-related problems.

A. *Communication and Employee Relations*

During working time, all employees should strive to keep communication, discussion and other communications on a professional level.

APL believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in similar utility industries. If you have concerns about work conditions or compensation, you are welcome to voice these concerns openly and directly to management.

Our experience has shown that when employees deal openly and directly with supervisors (and vice-versa), it promotes a superior work environment, with clear communications and positive attitudes.

B. *Open Door Policy*

APL encourages an “open door” policy at all levels. The Company recognizes the value of employee ideas and encourages all supervisors and managers to take whatever steps are

necessary to reinforce our business philosophy that all employees can discuss their concerns with management.

C. *Employee Problems*

Generally speaking, employees who feel they have a work-related problem or grievance should first attempt to resolve the issue with their immediate supervisor. If the problem or grievance cannot be satisfactorily resolved at that level, the employee may take the problem/issue to each successive level of management. At any time, the employee may seek counsel or advice from the Human Resources Department. Please note that APL's policy against unlawful harassment contains its own complaint procedure and provides additional and alternative avenues for employees who wish to bring to management's attention any hostile, offensive, intimidating or abusive behavior by a supervisor or co-worker.

D. *Confidentiality*

Where feasible and otherwise consistent with Company policies, the Company will attempt to honor employee requests for confidentiality concerning work-related problems or grievances.

E. *Problem Resolution*

APL is committed to providing the best possible working conditions for its employees. This commitment includes encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question should receive a timely response from APL supervisors and management.

F. *Grievance Resolution Procedures*

The Company offers a four level process (but follow the Harassment Policy in case of a harassment-based concern or complaint):

1. The Employee attempts to resolve the complaint as close to the source as possible. This level is informal and verbal.

If the matter is not satisfactorily resolved

2. The Employee notifies his or her Supervisor (in writing or otherwise) as to the substance of the grievance and states the remedy sought. Discussion should be held between employee and any other relevant party. This level will usually be informal, but either party may request written statements and agreements. This level should not exceed one week.

If the matter is not satisfactorily resolved

3. The Supervisor must refer the matter to the Division Manager. A grievance taken to this level must be in writing from the employee. The Supervisor will forward to the Division Manager any additional information considered relevant. The Division Manager will provide a written response to the Employee. The Division

Manager also communicates with any other parties involved or deemed relevant. This level should not exceed ten days following the next scheduled meeting.

If the matter is not satisfactorily resolved

4. The Division Manager must refer the matter to the Chief Operating Officer (COO) or the CEO/President. A grievance taken to this level must be in writing from the employee. The COO or CEO communicates with any other parties involved or deemed relevant, reviews and considers the problem, informs employee of the decision, and forwards copy of written response to HR Department for employee's file. The COO and the CEO each has full authority to make any adjustment deemed appropriate to resolve the problem. This level should not exceed two weeks and the determination is final.

Not every problem can be resolved to everyone's total satisfaction, but through understanding and discussion of mutual problems, APL believes employees and management can have confidence and trust in each other. This confidence and trust are important to the operation of an efficient and harmonious work environment, and help to ensure everyone's job security.

SECTION 2
BUSINESS CONDUCT AND ETHICS

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ACCEPTABLE BUSINESS ATTIRE AND PROFESSIONALISM

Our business provides professional services and it is important that business attire reflects that professionalism in all APL work environments. Employees are expected to dress in a manner appropriate to the job being performed, and in consideration of the fact that the open work environment gives high public visibility to all employees.

APL encourages all employees to consider their personal appearance, cleanliness and hygiene while on duty. Business attire should be in keeping with established business standards. Casual or sport attire is not considered appropriate, nor in some cases, safe business attire. (Examples: tank tops, shorts, cut-offs, bare midriff/crop tops, etc.) Excessive jewelry that is unprofessional or interferes with safety on the job is prohibited.

BUSINESS ETHICS AND CONFIDENTIALITY

It is APL's policy to observe the highest standards of ethics, honesty, and integrity in our industry and in relationships with customers, contractors, suppliers and the public. Employees are required to uphold these standards. Employees must not have any personal interest that conflicts in any way with the interest of the Company or its shareholders. Employees must not cause conflicts for others with whom the Company does business. Employees must obey all applicable laws.

Not every instance of a violation of this standard can be anticipated. When in doubt about whether a particular matter violates this standard, seek guidance from executive management. Because of the size and complexity of the Company, it is impossible to list every circumstance in which the interests of employees and the interest of the Company may conflict. Employees are required to observe the spirit as well as the letter of this policy and to report in writing any conflict situation, however minor, to the CEO. Employees are encouraged to report conduct that they reasonably believe violates the law without fear of reprisal or reprimand by the Company.

The Company will thoroughly investigate every report or complaint of unethical behavior by APL employees. This includes reports by customers, contractors, business partners and/or the public.

Employees may not destroy or falsify documents in contemplation of, or related to, an investigation of the Company by any law enforcement agency.

A. Confidentiality of Medical Information

Our Company maintains employee records and files that include confidential data. This personal data is now covered by privacy provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). APL has adopted policies and procedures designed to comply with HIPAA privacy requirements.

APL also complies with the California Confidentiality of Medical Information Act, and maintains personnel records that may include protected data in a separate, secure personnel file or security-protected electronic record. This policy applies to employees who work within the California facilities or on any job site in California.

B. Confidentiality of Company Proprietary Data

During the course of your employment with APL you may have access to, acquire, or become acquainted with trade secrets and confidential information of APL and its customers' and vendors' businesses. Such trade secrets and confidential information may include personal information from our customer base such as their name, address, goods purchased and credit information, as well as their, or our, projects and contemplated projects, financial affairs, pricing structure and strategies, and procedures and practices. All such information is confidential. Such information remains the property of the Company (or that of our customers, when entrusted to us) and may be used or disclosed only as necessary for the operation of our business.

Caution should be exercised in discussing confidential Company business or other confidential matters with other Company personnel in public areas, and such matters should never be discussed in the presence of customers. Violation of this policy may result in immediate dismissal. (Nothing in this policy, or elsewhere in this Handbook, restricts an employee from discussing his or her wages, hours or other terms and conditions of employment with coworkers or others, to the extent protected by law.)

The disclosure or misuse of trade secrets and confidential information would cause severe injury to APL. You must never discuss or disclose Company or customer trade secrets or other legally-protectable confidential information, either directly or indirectly, outside the Company, either during your employment or at any time thereafter, except to the extent necessary in the normal course of your performing your duties for APL or as expressly authorized by your supervisor (or unless such trade secrets or other legally protectable information lose their status as such, other than through your own actions). Employees are advised that APL will take appropriate legal action to protect its trade secrets and confidential information and to redress any violation by employees during their employment or following the separation of their employment with the Company.

Likewise, the Company does not solicit confidential business information from its employees regarding any other business. The Company does not and will not authorize its employees to disclose or otherwise make impermissible use of any other company's confidential business information obtained by means of an employee's former employment or association with any business other than APL.

All confidential records and files of the Company are the property of the Company and are to be handled consistently with this policy.

Confidential and trade secret information in any form, including, but not limited to, confidential customer information entrusted to APL by our customers, may not be copied, downloaded, or removed from the facilities without the advance permission of management. Employees may be required to sign non-disclosure of confidential information agreements.

Strict observance of this policy by all employees is of great importance to your co-workers and to our continued business growth and success. Violations of this policy may result in immediate termination. If you discover a violation of this policy, you are responsible for notifying your supervisor.

SOLICITATION AND DISTRIBUTION

In order to avoid disruption of Company operations, the following rules shall apply to solicitation and distribution of literature on Company property.

1) Outsiders

In an effort to assure a productive and harmonious work environment, persons not employed by APL may not solicit or distribute literature on Company property at any time for any purpose.

2) Employees

Employees may not solicit during working time (as defined below) for any purpose, including, but not limited to, commercial ventures, religious or political causes and other outside organizations.

Employees may not distribute literature during working time for any purpose. Unless otherwise specifically permitted by prevailing law, employees may not distribute literature in working areas at any time for any purpose.

3) Working Time

Working time includes the working time of either the employee doing the soliciting or distributing or the employee to whom the soliciting or distributing is being directed. Working time does not include rest breaks, meal periods, or any other specified periods during the workday when employees are properly not engaged in performing their work tasks.

4) Working Areas

Working areas include areas controlled by the Company where employees are performing work, excluding, for example, cafeterias, break rooms, and parking lots.

In addition, the posting of written communications on Company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them often for:

- Employee announcements
- Internal memoranda
- Job openings
- Organization announcements
- Payday notice
- Workers' compensation insurance information

- State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the HR Department for approval. All approved messages will be posted by the HR Department.

COMPUTER NETWORK, E-MAIL AND INTERNET USAGE

A. Notification of Right to Monitor and Monitoring of Computer, E-Mail and Internet Use

APL provides for certain of its employees the use of computers, computer files, internet access, an e-mail system and accounts, and software to further the Company's appropriate and legitimate business purposes. The computers, computer files, software, hardware and all other materials associated with the computer system are the property of the Company and their use must comply with this and other Company-related policies. During both working time and non-working time, Company electronic property and processes may not be used in a manner that would interfere with the efficient functioning of the Company's email or computer systems (such as by attaching large audio or video files or other large attachments, or by linking to suspicious or unverified files or links that may contain or transmit computer viruses).

B. Notice: The Company Does Monitor Computer Use and Content

The computers and computer accounts given to employees are to assist them in performing their jobs. All information and communications transmitted by, received from, or stored in the Company's systems are considered Company records and remain the property of the Company at all times. The Company reserves the rights to monitor, inspect, access, review, retrieve and delete any matter created, received or stored in its computer systems (including emails). The Company will monitor computer use to ensure compliance with legal requirements and compliance with the Company's policies. The use of passwords or other security measures does not in any way diminish the Company's rights to access materials on its systems or create any privacy rights for employees, nor should employees have an expectation of privacy because of the use of passwords or other security devices.

This policy supports the Company's commitment to maintain a productive workplace, a workplace in compliance with all applicable laws, and a workplace free of unlawful harassment. This policy strictly prohibits the use of computers, the internet, e-mail, and all other computer-related materials in ways that reasonably could be considered unlawful or harassing, or which would otherwise violate the Company's Policy Against Harassment or other Company policies regarding impermissible conduct.

C. Impermissible Use

The following (without limitation) constitute inappropriate uses and may result in disciplinary action up to and including termination of employment:

- Posting, downloading or transmitting, or intentionally or knowingly accessing, information or material that reasonably could be considered false and malicious, unlawful, physically threatening, abusive, defamatory, obscene, vulgar, sexually explicit or otherwise objectionable on similar grounds. This would also include use of

computers, email or the internet in ways that violate the Company's policies by being intimidating, harassing, bullying, otherwise in breach of the Company's policies against discrimination, retaliation, harassment, or hostility on account of any protected category, class, status, act or characteristic. Examples of such conduct would include offensive posts or statements (such as ethnic slurs, racial comments, or off-color jokes) that reasonably could be viewed as contributing to a hostile work environment on the basis of race, sex, mental or physical disability, age, religion or any other protected classification in accordance with state, federal or local laws or Company policy. (Note: these prohibitions on impermissible use also extend to personal communications devices, if used by an employee during working time, on Company premises, or at any time if directed to or about another employee.)

- Unauthorized use or installation of software.
- Unauthorized use of password(s), attempts to access computer systems or mail accounts, or giving access to the Company's systems to any unauthorized individual.
- Transmission of the Company's trade secrets and confidential information to unauthorized persons or organizations.
- Excessive personal time on the internet, including, but not limited to, playing games, visiting websites of personal interest, or engaging in online chat groups.
- Any use which violates Company policies including, but not limited to, the Company's Harassment policy, EEO policy, or Rules of Conduct.
- Any use that intentionally restricts another's use of the internet.
- Unauthorized monitoring of electronic communications or attempts to capture user ID and passwords, including through the use of network sniffers or sniffer software on workstations.
- Knowingly posting or transmitting any messages or software containing a virus, Trojan horse, worm or other harmful component.
- Uploading, posting, publishing, transmitting, reproducing or distributing information, software or other material that is protected by copyright without obtaining permission of the rights holder; or any other abuse or fraudulent use of the service.
- Chain letters, mass mailings unrelated to the Company, or other unauthorized transmissions not otherwise protected by prevailing law.
- Activities such as:
 - spamming (typically consists of unauthorized mass e-mailings, off-topic posting to bulletin boards, and similar activities);
 - flaming (typically consists of excessive hostile communications);

- spoofing (typically consists of taking the identity of another person for the purpose of concealing one's own identity);
- or other similar inappropriate activities; and,
- Engaging in other practices or activities that are inconsistent with the reasonable rules of conduct APL expects its employees to observe.

Employees encountering any misuse of the Company's computer systems or related computer materials should immediately report it to Human Resources.

SOCIAL MEDIA

A. *General Policy*

With the rise of new media and next-generation communications tools, the way in which employees can communicate internally and externally continues to evolve. While this creates new opportunities for communication and collaboration, it also creates new responsibilities for employees.

This policy applies to employees who use the following:

- Multi-media and social networking websites, including, but not limited to, Facebook, Twitter, Instagram, Flickr, YouTube, Pinterest and Vine;
- Weblogs ("Blogs"); or
- Wikis such as Wikipedia and any other site where text can be posted.

All of the foregoing activities are referred to as "internet postings" in this policy.

Employees are free to create or participate in non-Company blogs, social networking websites and other forms of internet postings, provided that such participation is on the employee's own time and does not interfere with his or her regular work duties, and does not otherwise violate Company policy. Other than for specifically authorized work-related purposes, employees may not engage in internet posting during working time. Employees are personally responsible for their postings and online comments. The Company will not assume any liability or risk for an employee's internet postings.

When engaged in internet posting on a non-Company blog, social networking website, or other online forum which refers in any way to APL, an employee must make it clear that what is being said is representative of the employee's personal views and does not necessarily reflect the views and opinions of the Company. (At a minimum, an employee's personal blog or posting which refers to the Company should include the following standard disclaimer language (or comparable wording): "The views expressed are mine alone and do not necessarily reflect the positions, strategies, or opinions of APL.") In no way may employees represent or suggest that their personal opinions or positions are endorsed by APL or any of its managers. Managers and executives should exercise particular care when engaged in any internet posting activity to ensure

their published personal thoughts are not misunderstood to be expressions of official Company positions. (Managers also should assume their subordinates will read their postings, and should fully understand that internet postings are not appropriate forums for communicating Company policy to Company employees.)

Even when engaging in internet posting activities not related to the Company, employees must always be in compliance with the Company's policies regarding non-disclosure of trade secrets and confidential information. (See the policy on Confidentiality of Company Proprietary Data at page 23 above.) Accordingly, employees are prohibited from revealing any trade secrets and confidential information. Employees also must respect copyright and fair use laws when engaged in internet posting (and, as a best practice, always credit and/or link to someone else's work when quoting or relying upon it).

Additionally, never identify a Company customer by name in any internet posting, and never discuss a customer's or colleague's confidential information online. All employees also should understand that posting false or misleading information about the Company could potentially subject both the employee and Company to liability for violation of securities or other laws. The Company reserves the right to ask employees to temporarily limit their personal internet posting activities to topics unrelated to the Company if it believes that is necessary to ensure compliance with securities regulations or other laws.

Employees are prohibited from using Company logos or trademarks in any internet posting without the Company's express written permission. Employees likewise may not post or transmit any content that reasonably could be considered false and malicious, unlawful, physically threatening, abusive, defamatory, obscene, vulgar, sexually explicit or otherwise objectionable on similar grounds. This would also include use of computers, email or the internet in ways that violate the Company's policies by being intimidating, harassing, bullying, or otherwise in breach of the Company's policies against discrimination, retaliation, harassment or hostility on account of any protected category, class, status, act or characteristic. If an employee posts about a competitor, the employee must ensure what is said is factually accurate. Moreover, internet postings must never be used for internal business-related communications between employees. Any inappropriate internet postings that violate these guidelines should be reported to Company management immediately.

B. Disciplinary Action

Any violation of this policy may result in disciplinary action, up to and including termination of employment. Moreover, an employee's improper use of the Company's computer systems or internet postings may also subject the employee to civil and criminal liability.

PERSONAL COMMUNICATION AND RECORDING DEVICES IN THE WORKPLACE

All employees are prohibited from using during working time in Company facilities, premises, or on job sites, any of the following items:

1. Personal cell phones when not used for APL business

2. Personal laptops, digital assistants, iPod or MP3 players not used for APL business.

In addition, while most cell phones now have camera and audio / video recording features, use of any of those functions at any time is prohibited within Company facilities or premises, and on job sites, without the express prior permission of a member of management. Permission for such use will be given only when required for the conduct of Company business.

This policy is intended to safeguard the Company's confidential information and to reduce the opportunities for unlawful harassment or other inappropriate behaviors. Accordingly, the Company also prohibits the use in the workplace of any type of digital camera, video camera, audio recording device, handheld scanners, flash drives, or other form of image-recording or data recording device (and any other device capable of capturing or storing an image) without the express prior permission of the Company and of each person whose image or voice would be recorded with such a device.

Except for personal cell phones that already incorporate a camera feature and audio / video recording capabilities, employees are not to bring any such devices or imaging equipment into Company facilities, premises, or work sites. Employees are also responsible for ensuring that visitors observe all restrictions set forth in this policy.

Designated Company personnel who must use such devices in connection with their jobs will be advised separately of their permission to do so, and any restrictions on such permission.

Privileged or confidential material such as, but not limited to, trade secrets or confidential communications, are not to be photocopied, scanned, photographed, or otherwise copied except by authorized personnel in the furtherance of Company business. Images of employees may be captured and used only with their permission. Employees must obtain permission from executive management and any person photographed to transmit or post any images of that person.

Furthermore, employees and visitors are not to use electronic equipment to create or convey offensive, harassing, vulgar, obscene, or threatening images or communications. Similarly, transmitting sexually oriented messages or images at work using camera or PDA phones or other equipment is forbidden. Electronic equipment in APL premises or facilities, at field work sites, or at Company-sponsored events may not be used to defame, embarrass, or disparage the Company, employees, customers, vendors, or competitors.

Employees are to report any violations of this policy. A violation of this policy can result in discipline, up to and including termination of employment. If you have any questions regarding any of the guidelines in this policy, please contact the HR Department.

SECTION 3
EQUAL EMPLOYMENT OPPORTUNITIES

SECTION 3 EQUAL EMPLOYMENT OPPORTUNITIES

EQUAL EMPLOYMENT OPPORTUNITY

APL is an equal opportunity employer. We enthusiastically accept our responsibility to make employment decisions without regard to race, religious creed, color, age, sex, gender identity, sexual orientation, gender identity, gender expression, perceived sex or gender, registered domestic partner status, national origin, ancestry, citizenship, religion, marital status, pregnancy, medical condition (including genetic characteristics), physical or mental disability, military service, veteran status, pregnancy, childbirth and related medical conditions, citizenship, color, genetic information or characteristics (with respect to the applicant, employee, or a family member), or the perception that a person is associated with a person who has or is perceived to have any of these characteristics, political affiliation, or any other classification or characteristic protected by federal, state, and local laws and ordinances.

Our management is dedicated to ensuring the fulfillment of this policy with respect to all aspects of the employment process, including hiring, placement, promotion, transfer, demotion, layoff, termination, recruitment, advertising, pay, benefits, training, and general treatment during employment.

Any form of discrimination against employees will not be tolerated and will result in appropriate disciplinary action, up to and including termination. If an employee believes someone has violated this policy, the employee should bring the matter to the attention of Human Resources, or anyone else in management with whom the employee is comfortable. APL will promptly investigate the facts and circumstances of any claim this policy has been violated and take appropriate corrective measures.

No employee will be subject to, and APL prohibits, any form of discipline or retaliation for reporting in good faith incidents of unlawful discrimination (including unlawful harassment), pursuing any such claim, or cooperating in any way in the investigation of such reports.

POLICY AGAINST HARASSMENT

APL does not tolerate harassment of our job applicants or employees by another employee, supervisor, or any third party. Any form of harassment on the basis of race, religious creed, color, age, sex, gender identity, gender expression, sexual orientation, national origin, ancestry, religion, marital status, registered domestic partner status, medical condition, physical or mental disability, genetic characteristics, military service, veteran status, pregnancy, childbirth and related medical conditions, or any other classification protected by federal, state, and local laws and ordinances is a violation of this policy and will be treated as a disciplinary matter. While it is not easy to define precisely what harassment is, it does include slurs, jokes, and other uninvited verbal, graphic, or physical conduct by one individual toward another. Harassment of any kind will not be tolerated and may be grounds for immediate termination.

APL is committed to providing a work environment that is free of discrimination. In keeping with this commitment, we maintain a strict policy prohibiting unlawful harassment, including sexual, racial, age or other harassment. This policy prohibits harassment in any form,

including verbal, physical and visual harassment. The Company will take all reasonable steps to prevent harassment from occurring.

All employees have the right to be free from unlawful harassment while in the employ of the Company. Any employee who believes he or she has been harassed by a co-worker, supervisor, or agent of the Company, or by any vendor, customer or independent contractor, should promptly report the facts of the incident or incidents and the names of the individuals involved to his or her supervisor, to the HR Department, or to any other member of management to whom the employee feels comfortable reporting the matter. Supervisors are required immediately to report any observed or reported incidents of sexual harassment to management. The Company will promptly and thoroughly investigate all claims of harassment and take appropriate corrective action. Please refer to the Company's detailed complaint procedure in Section B, below.

Upon receiving a complaint of harassment in violation of its policies (or otherwise becoming aware of harassment in violation of its policies), the Company will take prompt and effective remedial action to prevent any further harassment, and to address any unlawful harassment that has been established. This will include actions both in behalf of the complainant and against the harasser, and such action will be communicated to the complainant. The Company's determination and related Company action will be communicated to the complainant, to the alleged harasser and, as appropriate, to all others directly concerned. As stated above in the Company's Equal Employment Opportunity Policy, APL strictly prohibits any form of discipline or retaliation for reporting in good faith any complaint of unlawful harassment, pursuing any such claim, or cooperating in the investigation of such reports.

In addition, if you believe that you have been unlawfully harassed, you may, within one year of the harassment, file a complaint of discrimination with the California Department of Fair Employment and Housing.

A. *More Details About Harassment, Especially Sexual Harassment*

Harassment in employment, including sexual, racial and ethnic harassment, is forbidden by law and is strictly prohibited by the Company. Employees who violate this policy are subject to discipline, including possible termination.

Racial and ethnic harassment includes, but is not limited to:

- Visual conduct, including displaying of derogatory objects or pictures, cartoons or posters;
- Verbal conduct, including making or using derogatory comments, epithets, slurs and jokes.

Sexual harassment is defined by the regulations of the Fair Employment and Housing Council as unwanted sexual advances or visual, verbal or physical conduct of a sexual nature. Sexual harassment includes gender harassment and harassment on the basis of pregnancy, childbirth or related medical conditions, and also includes sexual harassment of an employee of the same gender as the harasser. In addition, sexual harassment does not need to be motivated by

sexual desire in order to violate this policy. Sexual harassment includes, but is not limited to, the following types of offensive behavior:

- Unwanted sexual advances;
- Offering employment benefits in exchange for sexual favors;
- Making or threatening reprisals after a negative response to sexual advances;
- Visual conduct, including leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- Verbal conduct, including using derogatory comments, epithets, slurs and jokes;
- Verbal sexual advances or propositions;
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- Physical conduct, including touching, assault, impeding or blocking movements.

Examples of sexual harassment include: (a) an employee being fired or denied a job or an employment benefit because the employee refused to grant sexual favors or because he or she complained about the harassment; (b) an employee reasonably quitting his or her job to escape harassment; or (c) an employee being exposed to a hostile work environment.

B. Complaint Procedure

Each member of management, including front-line supervisors, has the responsibility of creating and maintaining an atmosphere free of discrimination and harassment, sexual or otherwise. In addition, it is the responsibility of each employee to respect the rights of supervisors, co-workers, customers and visitors to our facilities.

If an employee experiences any job-related harassment, or has a related complaint, or believes he or she has been treated in an unlawful discriminatory manner, he or she should promptly report the matter to a supervisor or manager or to the HR Department.

Upon receipt of a complaint, the Human Resources Department and, in appropriate circumstances, the Safety Administrator will undertake an investigation to determine the facts and any appropriate corrective action. The investigation should be private and confidential to the greatest extent possible. However, no employee can be promised anonymity or absolute confidentiality.

The HR Department will ensure that statements of the complainant, alleged offender and all witnesses are documented thoroughly and that the investigation is conducted in a thorough, objective and neutral manner, and is considerate of the rights and emotions of all the parties involved.

Once the investigation is concluded, if the investigation reveals that an individual has engaged in harassment or other discrimination against another individual, the Company will determine the appropriate course of conduct with respect to the offender. Immediate and appropriate corrective action may include disciplinary action, up to and including discharge.

The Company expressly prohibits any form of retaliatory action or conduct against any employee for making a bona fide, good faith complaint under this policy, for assisting in a complaint investigation or for providing truthful information in good faith. However, if after conducting a neutral fact-finding investigation of a complaint of harassment or unlawful discrimination, the Company determines through objective evidence that an employee has made a complaint in bad faith, or has provided knowingly false information regarding the complaint, disciplinary action may be taken against the individual who filed the complaint or who gave the false information.

NON-DISCRIMINATION ON BASIS OF DISABILITY

The Company supports our nation's commitment to end discrimination on the basis of disability and in accordance with federal and state laws. In order to protect the rights of disabled persons, APL's policy is that: No program or activity administered by the Company shall exclude from participation, deny benefits to or subject to discrimination any individual solely by reason of his or her disability. Equal employment opportunity will be extended to qualified disabled persons in all aspects of the employment relationship, including recruitment, hiring, training, promotion, transfer, discipline, layoff, recall and termination. The Company will provide reasonable accommodation to the known physical or mental limitations of an otherwise qualified disabled employee or applicant.

The HR Department, Safety Administrator and Division Managers have been designated as the coordinators of our program and procedures for implementation of this policy.

REASONABLE ACCOMMODATION FOR EMPLOYEES WITH A DISABILITY

APL is committed to complying fully with the Americans with Disabilities Act (ADA) and the California Fair Employment and Housing Act to ensure equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Upon request, job applications are available in alternative, accessible formats, as is assistance in completing the application. Pre-employment inquiries are made regarding only an applicant's ability to perform the duties of the position.

Post-offer medical examinations may be required for employees working in positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. This includes employees who have a break in service of more than thirty (30) days. Medical records will be kept separate and confidential.

Reasonable accommodation is available to any disabled employee, where their disability affects the performance of job functions. APL will engage in an interactive process with the employee to identify and attempt to implement a reasonable accommodation that still permits the

employee to perform the essential functions of the job, without creating a hazard for the employee or others. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, and promotional opportunities. Leaves of absence as part of a reasonable accommodation and which do not create an undue hardship for the Company, will be considered on an equal basis.

APL is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. APL will follow any state or local law that provides individuals with disabilities greater protection than the ADA and the California Fair Employment and Housing Act.

This policy is neither exhaustive nor exclusive. APL is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state or local laws.

RELIGIOUS ACCOMMODATION

The Company accommodates the religious observances and practices of employees and applicants, unless the Company is unable reasonably to accommodate an employee's or applicant's religious observance or practice without undue hardship to the conduct of the Company's business activities.

SECTION 4
SAFETY POLICIES AND PROCEDURES

SECTION 4 SAFETY POLICIES AND PROCEDURES

INJURY AND ILLNESS PREVENTION PROGRAM

To ensure the safety and health of employees while on the job, APL has developed a comprehensive set of safety policies in accordance with California law. This Injury and Illness Prevention Program (“IIPP”) is available for review by any employee. All employees are expected to become familiar with the safety policies and safety information provided in the IIPP. The IIPP is also posted at the worksite.

APL SAFETY PHILOSOPHY

Employee safety is our highest priority. The most important rule at each of our job sites is: **we do not want any employee to do any job that’s not safe**. That’s why we have implemented a comprehensive safety program. Our safety program (including our IIPP) consists of many different policies in order to provide a safe working environment for all job sites. We will do everything we can to keep you and others from being injured, but your safety really depends on **YOU AND YOUR FELLOW EMPLOYEES**. The following sections will let you get familiar with our safety program and your responsibilities as an employee.

EMPLOYEE SAFETY RESPONSIBILITIES

Upon your employment, you will participate in a safety orientation and regular safety meetings. Employees are expected to work safely, wear safety equipment, and observe all applicable safety rules and regulations as required by law. Each employee also has a responsibility to have complete knowledge of the safety rules and regulations and the general disciplinary rules of the Company.

Each and every employee has a responsibility to report immediately any unsafe or hazardous condition in the workplace to your supervisor. In addition, immediately report to your supervisor, the Safety Administrator, or the HR Department, any unsafe acts caused by other employees. Any employee, including a supervisor, who fails to report a safety violation or accident on the job will be subject to discipline up to and including termination.

VISITORS TO THE WORKPLACE

Employees are discouraged from bringing personal visitors onto the premises. Prior permission from your supervisor is required. For safety reasons, visitors are not permitted around machinery or equipment. All visitors must be accompanied by authorized personnel to designated areas, which shall not include working areas.

REPORTING AN ACCIDENT / INJURY

If you are involved in a work-related accident and you or other employees sustain an injury, no matter how small, you must report the accident to your supervisor immediately. Your supervisor will provide the necessary direction or treatment, whether it’s first aid or transportation to the Company doctor. Your supervisor will fill out an accident report as required by law. You

will fill out an **Employee's Report of Industrial Injury** and other necessary forms explaining how your accident or injury occurred. If your injuries place you on "Restricted Duty" or "Lost Time" status, you will also fill out other forms for Workers' Compensation Benefits (see Workers' Compensation in this handbook). Failure to report in a timely fashion will result in discipline, up to and including termination of employment.

If you are, or you see another employee, involved in a "near miss" (almost an accident), report it to your supervisor immediately. Most near misses are usually caused by unsafe conditions or unsafe acts. Be sure to report these unsafe conditions to your supervisor, manager, or HR Department in order to eliminate any potential recurrence.

WORKERS' COMPENSATION PROGRAM

APL carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical, and hospital treatment. Compensation payments begin from the first day of an injured employee's hospitalization or after the third day following the injury if the employee is not hospitalized. The cost of this coverage is paid completely by APL. If you have any general questions regarding the workers' compensation insurance program, please contact the HR Department.

A. Workers' Compensation Disclaimer Notice For Non-Work Related Injuries

APL or its insurance carrier may not be liable for the payment of workers' compensation benefits for any injury which arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity which is not a part of the employee's work-related duties.

B. Workers' Compensation Fraud

Under State law, any individual who makes a fraudulent, false or bad faith claim for workers' compensation benefits or who assists another person in doing so, may be guilty of a felony punishable by jail, fine or both. The Company will take all appropriate steps to enforce the terms of this law. ***APL takes this very seriously.*** Any APL employee who files or participates in a fraudulent claim will be terminated immediately when the Company determines that it is fraudulent or in bad faith.

DRIVING ON COMPANY BUSINESS

Anyone who may operate a Company vehicle **MUST** have a valid driver's license, and will be required to show proof of valid status periodically. Employees must, at all times, retain proof of insurance and current registration on any vehicle that is used for business purposes. Use of personal vehicles for Company business without insurance, or misrepresenting the status of insurance to management, will result in immediate termination. ***There will be no exceptions.***

Driver restrictions: Company vehicles may not be driven by a spouse, significant other, child or other non-approved person at any time. Violation of these restrictions will result in discipline, up to and including termination.

All drivers are responsible for the safe operation of their vehicles and knowing the rules of the road applying to them. Should your license be revoked, safety and responsibility dictate that you must notify the Company immediately. Failure to do so may result in termination.

Seat belts: Seat belts **MUST** be worn at all times when operating Company vehicles and Company equipment. Violators will be disciplined. Repeat violations will result in termination.

Cell Phones/PDAs: APL encourages its employees to remember safety when using their cellular phones or personal digital assistants for business purposes. For the safety of themselves and others, APL employees who are issued a cell phone for business use (or who use any mobile device for business) are required, at a minimum, to comply with State law while driving on Company business or operating Company equipment. ***NOTE: texting while driving on Company business or operating Company equipment is NEVER permitted. It is exceptionally dangerous to oneself and others, and established violations of this policy will result in disciplinary action up to and including termination.*** If your job requires that you keep your cell phone turned on while you are driving, the Company prefers that you pull safely off the road before using your mobile device. In all cases, employee use of cell phones must comply with State law, which requires drivers to use hands-free devices such as headsets and speakerphones while using a cell phone in a vehicle on public streets. Employees charged with traffic violations resulting from the improper use of a cell phone or other mobile device while driving will be solely responsible for any liability resulting from such action.

Only qualified and authorized employees are to operate any piece of Company equipment.

Employees are responsible for any parking tickets or moving violations when operating a Company vehicle.

Any employee who operates a vehicle (Company owned or personal) on Company business while intoxicated will be terminated. ***No exceptions.*** Operating a Company vehicle at any time while intoxicated will result in immediate termination.

Any employee involved in an accident while driving a Company vehicle **MUST** report it to his or her supervisor immediately, but in no event more than two (2) hours after the accident. The report should include the date and time of the accident, location, what happened, whether another party was involved, and the other party's information, including name, address and all vehicle information.

Operators of Company vehicles are responsible for checking the safe operating conditions of the vehicles before starting to drive. Any employee found to have willfully or negligently abused Company equipment will be subject to disciplinary action including possible termination. If you drive Company vehicles, as part of our Department of Transportation compliance program your driving record will be periodically reviewed. Excessive traffic convictions could result in termination.

NOTICE: The Company participates in the Department of Motor Vehicles Pull Notice Program for employees who drive or operate Company vehicles. DMV will notify the Company of any moving violation or infraction by a covered employee and the Company will take

appropriate action to remove any employee who drives on Company business if his or her driving privileges are revoked or suspended.

Employees who, while under the care of a physician, are possessing or using medication which affects their perception, reflexes, concentration, balance, alertness or any other cognitive functions must notify their supervisor immediately. This includes medication which is used as part of a reasonable accommodation permitted by law. While the Company will not discriminate against any employee taking prescription medication pursuant to authorized medical care, safety and performance concerns require employees to inform the Company of such conditions. Failure to do so will result in discipline, up to and including termination of employment.

DRIVING PERSONAL VEHICLES ON COMPANY BUSINESS

Only qualified and authorized employees are permitted to operate any motor vehicle on Company business. Every employee who operates a motor vehicle while on Company business, including attending social and professional organization events, must maintain in force and effect a policy of liability insurance with sufficient limits to protect the Company from financial exposure in the event of an incident giving rise to liability. Director-level managers and salespersons will be required to submit to the HR Department proof of valid liability insurance with a minimum limit of \$15,000 single limit coverage and \$30,000 aggregate limit coverage. Such insurance must be maintained in full force and effect. Any changes in coverage must be reported to the HR Department within 24 hours.

Employees who drive on Company must use caution at all times and must refrain from use of drugs, alcohol or prescription medications which adversely affect driving skills while driving on Company business. Violation of this policy may result in discipline or discharge.

Employees driving on Company business in a personal vehicle must report any accident, regardless of the nature of property damage or personal injury, to the HR Department within 24 hours.

At times, individual employees' personal vehicles may be rented back to the Company. Those arrangements are subject to separate written agreement which addresses mutual responsibilities, insurance, authorized drivers and other terms and conditions.

WORKPLACE SECURITY AND VIOLENCE PREVENTION

APL is proud of its record in preventing workplace violence and maintaining a safe work environment. However, given the increasing violence in society in general, APL has adopted the following policies to deal with any violence that may occur on its premises, and to ensure the safety of its employees.

- Report all threats of violence, both direct and indirect, as soon as possible to your supervisor or, if he or she cannot be reached, any other supervisor or manager. Be as specific as possible.
- Report all suspicious individuals or activities to your supervisor or a manager, as soon as possible.

- Do not put yourself in danger.
- If you hear a violent commotion near your work area, do not try to see what is happening. Call 911 immediately and hide or move to a safe place.
- Cooperate fully with security, law enforcement and medical personnel who respond to a call for help.
- A designated Company representative will respond on behalf of the Company to all inquiries from the media about any violence on its premises.
- If you are certified, you may provide first aid to injured persons.

NO SMOKING POLICY

Since smoking is a fire hazard and also a potential health hazard *and is not permitted in any California workplace* pursuant to California law, smoking is *not permitted in Company buildings or confined spaces on APL premises or job sites*. The Company's definition of smoking includes "vaping," i.e., the use of e-cigarettes or any similar product. Employees who wish to smoke may do so only in the designated areas outside the building, during their regular break or meal periods. Any employee not abiding by these rules may be subject to discipline, up to and including termination. This policy applies to employees, customers and visitors.

Good housekeeping is essential for both safety and the professional appearance of APL facilities. Smokers must never leave cigarette butts on the ground. Extinguished cigarettes are to be placed in the appropriate receptacle. Habitual violators will be subject to discipline.

LIQUOR ON THE JOB

Any employee found guilty of possessing liquor on Company facilities, or on a customer job site or other customer premises, will be subject to discipline up to and including termination of employment. This includes liquor in lockers or open containers in employees' automobiles or in Company vehicles.

There are no exceptions (including holiday periods) to this policy.

ALCOHOL (AND DRUG ABUSE)

Possessing, dispensing or using a controlled substance without medical prescription is strictly prohibited on Company premises, rented construction yards, rented facilities, job sites or job yards, in Company vehicles on or off the worksite and/or in personal vehicles on the worksite or on Company business. (Note: the Company does not recognize "medical marijuana" as a medically-prescribed controlled substance in connection with employment. For purposes of this policy, the Company treats it the same as any other controlled substance as to which the possession, dispensation, use, purchase, sale, or being under the influence is prohibited.)

Reporting to work or working under the influence of alcohol or a controlled substance without a medical prescription is strictly prohibited. Any employee found violating any of these

provisions will be subject to immediate termination. Any employee with a problem relating to alcohol or drug abuse is encouraged to contact the HR Department to discuss potential options for treatment programs and consideration for possible leave of absence for a rehabilitation program.

The Company recognizes alcohol and drug abuse as potential health, safety and security problems. The Company expects all employees to assist in maintaining a work environment free from the effects of alcohol, drugs or other intoxicating substances. Compliance with this substance abuse policy is a condition of employment.

The Company prohibits employees from the unlawful manufacture, possession, use, distribution or purchase of non-prescribed drugs and intoxicants on Company premises and from working under the influence of alcohol, illegal drugs or intoxicants during working hours.

All employees are required to report to their jobs in appropriate mental and physical condition, ready to work. If an employee may be impaired because of taking medication according to a doctor's prescription, he or she is expected to discuss it with his or her supervisor before commencing work that day.

Any employee who is convicted of any violation occurring on Company property or during working time shall notify the Company within five days of the date of conviction. A conviction includes any finding of guilty or plea of no contest and/or imposition of a fine, jail sentence or other penalty. Any violator of this substance abuse policy will be subject to disciplinary action up to and including termination of employment.

The Company will encourage and reasonably accommodate employees with alcohol or drug dependencies to seek treatment and/or rehabilitation. Employees desiring such assistance should request a treatment or rehabilitation leave. The Company is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of drug or alcohol use, nor is the Company obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency.

Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation. **This policy on treatment and rehabilitation does not affect the Company's treatment of employees who violate the standards of conduct relating to alcohol or drug use on the job or the drug testing program.** Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

COMPANY PROPERTY

A. *Care of Company Property*

Employees are expected to exercise care in the use of Company property and to use such property only for authorized purposes. Negligence in the care and use of Company property including tools and equipment, all telephones, pagers, computers or other issued items, may result in discipline, up to and including termination of employment. Employees may be responsible for

the cost of repair or replacement of Company property which is damaged or lost due to an employee's gross negligence, dishonesty, or willful act.

Company property issued to an employee must be returned at the time the employee terminates employment or when a supervisor or Company representative requests its return. The value of any property issued and not returned may be deducted from an employee's paycheck, in accordance with signed payroll deduction authorization forms. The Company assumes no responsibility for loss or damage to the personal property of an employee.

B. Unauthorized Taking of Company Property

All Company equipment, fixtures and supplies including, without limitation, product, postage, tools, equipment, stock and inventory, and Company records is the exclusive property of the Company. Any unauthorized use, misuse or misappropriation of Company property, including intentional damage or theft, is grounds for immediate termination of employment.

The Company reserves the right to inspect all packages carried out of Company premises by any employee. Such inspections will be conducted whenever a Company supervisor has reason to believe that Company property may be involved. The Company reserves the right to bring appropriate charges against any employee who is caught taking Company property without authorization. Company equipment or material is not allowed for personal use, unless a written request form is obtained and approved by your immediate supervisor, prior to actual use. **Violations of this policy are subject to discipline up to and including termination of employment.**

C. Misuse or Abuse of Company Property

Some employees from the office are provided with safety equipment relevant to required activities. Employees will be held responsible for replacement costs if those items are destroyed or lost due to the employee's misuse.

SECTION 5
LEAVES OF ABSENCE

SECTION 5 LEAVES OF ABSENCE

It is the Company's policy to grant leaves of absence as required by law to all eligible employees on a non-discriminatory basis. Leaves of absence will be considered in cases of bona fide occupational medical disabilities and in cases of military duty, jury duty, witness duty, qualifying Family & Medical Leave (FMLA and CFRA), pregnancy-related disability, qualifying school activities, and other leaves of absence as provided by federal or California law. Unless specifically provided otherwise, all leaves of absence are available only on an unpaid basis. If you have any questions about any these policies or desire further details regarding any leave of absence, please consult with the HR Department.

If you accept other employment or fail to return for work on the next regularly scheduled work day following the expiration of your leave, it will be considered that you have voluntarily terminated your employment (subject to possible exception in the case of a continuation or extension of a disability-based leave).

RULES APPLICABLE TO SPECIFIC TYPES OF LEAVES

A. *Medical Leaves of Absence for Occupational Injuries*

A leave of absence shall be granted upon written request to any full-time or part-time employee who sustains a work-related injury resulting in inability to work. A leave of absence for a disabling work-related injury normally will extend for the duration of your work-related inability to work. Employees returning from a leave will be given credit for any portion of an introductory period completed prior to the commencement of the leave of absence. Benefits for a leave of absence for a work-related injury will be coordinated with workers' compensation benefits. The Company normally will retain employees on an extended leave of absence for work-related injuries that result in inability to work, until one of the following situations occurs.

1. You are released for full or partial duty.
2. The Company receives medical evidence satisfactory to it that you will be permanently unable to return to work.
3. You directly or indirectly inform APL (i.e., by accepting other employment, moving out of the state, etc.) that you do not intend to return to the Company's employ.

When you return to work at the end of your leave of absence, you will be returned to your former position, if it is available, or you will be offered the first available opening in a comparable position for which you are qualified. You must provide a physician's statement that indicates that you are fit to return to work.

B. *Pregnancy Disability Leave Of Absence*

If an employee is disabled by pregnancy, childbirth or related medical conditions, she is eligible to take a pregnancy disability leave of absence ("PDL"). An employee is also eligible to

transfer to a less strenuous or hazardous position or to less strenuous or hazardous duties, if such a transfer is medically advisable and can be reasonably accommodated.

However, the Company will not undertake to create additional employment that the Company would not otherwise have created to meet its own business needs, nor will the Company be required to discharge any employee, transfer any employee with more seniority than the pregnant employee, or to promote any employee who is not qualified to perform the job. Upon transfer, you will receive the salary and benefits which are regularly provided to employees in the position to which you have transferred. In addition, if it is medically advisable for an employee to take intermittent leave or work a reduced schedule, APL may require the employee to transfer temporarily to an alternative position with equivalent pay and benefits that can better accommodate recurring periods of leave.

- The PDL is for any period(s) of actual disability caused by pregnancy, childbirth or related medical condition up to four months (or 17 1/3 weeks for a full-time employee) per pregnancy.
- The PDL does not need to be taken in one continuous period of time, but can be taken on an as-needed basis.
- Time off needed for prenatal or post postnatal medical care, severe morning sickness, doctor-ordered bed rest, gestational diabetes, pregnancy-induced hypertension, preeclampsia, childbirth, recovery from childbirth or loss or end of pregnancy, and post-partum depression is covered by California PDL.

Medical Certification for Reasonable Accommodation or Transfer

An employee requesting reasonable accommodation or transfer due to a pregnancy is required to obtain a certification from the health care provider of her pregnancy disability or the medical advisability for a transfer. The certification should include:

- A description of the requested reasonable accommodation or transfer;
- A statement that describes the medical advisability of the reasonable accommodation or transfer because of pregnancy;
- The date on which the need for reasonable accommodation or transfer became or will become medically advisable; and
- The estimated duration of the reasonable accommodation or transfer.

Medical Certification for Pregnancy Disability Leave

An employee requesting a leave of absence because of pregnancy must provide a written certification from her health care provider which should include:

- A statement that you need to take pregnancy disability leave because you are disabled by pregnancy, childbirth or related medical condition; and

- The date on which you became disabled because of pregnancy and the estimated duration of the leave.

Request for Leave - An employee must provide at least 30 days advance notice of the need for a reasonable accommodation, transfer or pregnancy disability leave, or as much prior notice as practicable. No employee shall be granted a pregnancy leave unless she submits a written request for pregnancy leave and, in addition, furnishes a doctor's written certification stating the beginning date and length of such leave. Written updates may be requested from time to time thereafter. Failure to provide the above information is grounds for denial of a pregnancy leave of absence.

Length of Leave - A PDL shall be for a reasonable period of time during which you are disabled, but the PDL itself shall not exceed a maximum of four months. Under the California Fair Employment and Housing Act and the California Family Rights Act, eligible employees may take consecutive leaves of absence for PDL and for a serious health condition or "baby bonding" under CFRA (an additional maximum of 12 weeks of unpaid leave). Both PDL and CFRA leaves are job-protected, benefit-protected leaves.

PDL leave may run concurrently with FMLA leave, if you are eligible for such leave and, to that extent, the terms and conditions in the Company's FMLA Leave Policy are incorporated herein by reference.

Compensation and Benefits – PDL is without pay. The Company will, however, continue to pay its share of the premium for your health insurance that the Company would have paid but for your leave. You will be responsible for paying for your share of the premium as well as your same share of dependent coverage that you pay for while you are actively working, and such payment will be due at the same time as if it had been made by payroll deduction. Such Company payment will continue for a maximum of four months in any 12-month period, beginning on the date the PDL commences. Generally, the Company treats pregnancy disability the same as we treat other disabilities of similarly-situated employees.

Use of Vacation Leave and Sick Leave - An employee who takes PDL may elect to use, during the PDL, any paid vacation time that may have accrued. An employee who takes PDL may also elect to use, or the Company may require you to use, any paid sick leave during the otherwise unpaid portion of the PDL.

We encourage you to contact the Employment Development Department regarding your eligibility for state disability insurance for the unpaid portion of your leave.

Return from Leave - An employee returning from PDL must furnish a doctor's written certification of her fitness to perform the essential functions of her job, with or without reasonable accommodation. Upon return from PDL, the Company will reinstate you to the same or a comparable position, subject to any exceptions allowed by law.

If an employee does not return to work on the originally-scheduled return date and has not requested in advance an extension of the return date with appropriate medical documentation, she will be deemed to have voluntarily terminated employment with APL.

Any request for leave after a pregnancy-related disability has ended will be treated as a request for leave under the California Family Rights Act, if the employee is eligible for that type of leave. Please refer to that section of the leaves of absence policies. (Note: leave under the federal Family and Medical Leave Act runs concurrently with PDL, while leave under the CFRA does not. Therefore, it is possible that FMLA leave will be exhausted during a PDL.)

C. Family and Medical Leave (“FMLA”) / California Family Rights Act (“CFRA”)

The Company will grant a leave of absence to regular full-time employees and part-time employees (who meet the requirements described below) for the care of a child after birth or adoption or placement for foster care, the care of a covered family member (spouse or registered domestic partner, child or child of a registered domestic partner, or parent) with a serious health condition or in the event of your own serious health condition. Leaves will be granted for a period of up to 12 weeks in any 12-month period.

You must have completed at least one full year of service with the Company and have worked a minimum of 1,250 hours in the 12-month period preceding the leave to be eligible for such leave. In addition, to be eligible for leave, you must work at a Company facility that employs at least 50 employees at that facility or within 75 miles of that facility.

1. Child/Family Care Leave:

If you request a leave of absence to care for a child after birth, adoption or placement in your home for foster care or to care for a covered family member with a serious health condition, you will be granted unpaid leave under the following conditions:

- a) If the leave is planned in advance, you must provide the Company with at least 30 days’ notice prior to the anticipated leave date, using the Company’s Leave-of-Absence Request Form.
- b) If the leave is unexpected, you should notify your immediate supervisor by filing the Leave-of-Absence Request Form as far in advance of the anticipated leave date as is practicable. (Normally, this should be within two business days of when you become aware of your need for the leave.)

You will be required to use all accrued and unused vacation during the leave period. Once such benefits are exhausted, the balance of the leave will be without pay.

All group health benefits will continue during the leave provided you continue regular employee contributions to these plans for your portion of your own coverage and 100% of dependent coverage.

Employees requesting a leave to care for a covered family member with a serious health condition may be required to provide medical certification from the family member’s health care provider attesting to the existence of the serious health condition, the date of its commencement, probable duration of the condition, an estimate of the amount of time care provided by the employee will be needed, and a statement that the serious health condition warrants the employee’s participation in providing care during the period of treatment or supervision of the family member.

2. Leave for Employee's Serious Health Condition:

If you request a leave of absence for your own serious health condition, you will be granted leave under the following conditions:

- a) If the leave is planned in advance, you must provide the Company with at least 30 days' notice prior to the anticipated leave date, using the Company's Leave-of-Absence Request Form.
- b) If the leave is unexpected, you should notify your immediate supervisor by filing the Leave-of-Absence Request Form as far in advance of the anticipated leave date as is practicable. (Normally, this should be within two business days of when you become aware of your need for the leave.)
- c) Any time that you expect to be or are absent for more than three consecutive work days as a result of your own serious health condition (including pregnancy), you will be required to submit appropriate medical certification from your health care provider.

Employees requesting a leave of absence for their own serious health condition will be required to provide medical certification from the employee's health care provider, which certification must provide the date on which the serious health condition commenced, its probable duration, and a statement that, due to the serious health condition, the employee is unable to work at all or is unable to perform any one or more of the essential functions of the employee's position.

In limited circumstances, the Company may require the employee to obtain, at APL's expense, the opinion of a second health care provider designated or approved by the Company (but not regularly employed by the Company), concerning any information provided in the certification. If the two opinions differ, the Company may also require, at the Company's expense, the opinion of a third health care provider designated or approved by the Company and the employee jointly, concerning any information in the certification.

All group health benefits will continue during the leave provided you continue regular contributions to these plans for your portion of your own coverage, including your portion of the cost of dependent coverage.

Before you will be permitted to return from a FMLA or CFRA leave taken for your own serious health condition, you will be required to present the Company with a return-to-work release from your health care provider stating that you are capable of resuming work and performing the essential functions of your position, with or without reasonable accommodation.

3. Leave Entitlement and Calculation:

Eligible employees are entitled to a leave for up to 12 weeks in a 12-month period. The Company uses the "rolling 12-month" method of calculating leave entitlement, by measuring backwards from the date an employee uses any FMLA or CFRA leave. In some circumstances involving an employee's serious health condition, a leave may be extended subject to approval by the Company approval, but such extension will not be under FMLA or CFRA.

Leave taken under to care for a child after birth, adoption or placement in your home for foster care must be concluded within one year of the birth or placement of the child. The basic minimum duration for such leaves is two weeks, but the Company will grant a request for CFRA leave of less than two weeks' duration on two occasions. Leave taken for your own or a covered family member's serious health condition may be taken consecutively, intermittently or on a reduced work/leave schedule appropriate medical certification. In such instances, the Company will follow applicable federal and state laws in reviewing and approving such leave requests.

4. Reinstatement Rights:

Eligible employees are entitled on return from leave to be reinstated to their former position or a comparable position with comparable employment benefits, pay and other terms and conditions of employment. Exceptions to this provision may apply if business circumstances have changed (e.g., if your position is no longer available due to a job elimination). Exceptions may also apply for certain highly compensated employees under certain conditions. In addition, employees on a leave extension beyond FMLA or CFRA are not guaranteed reinstatement.

D. Covered Servicemember Family and Medical Leave

1. Leave Policy

As of January, 2008, the federal Family and Medical Leave Act (FMLA) now entitles eligible employees to take unpaid leave for a covered family member's service in the Armed Forces ("Servicemember FMLA"). This policy supplements our FMLA policy and provides general notice of employee rights to such leave. Except as mentioned below, an employee's rights and obligations to Servicemember FMLA Leave are governed by our existing FMLA policy.

2. Leave Entitlement

Servicemember FMLA provides eligible employees (spouse, son, daughter, parent, or next of kin) unpaid leave for any one, or for a combination, of the following reasons:

- Servicemember FMLA provides eligible employees – defined as the spouse, son, daughter, parent, or next of kin of a covered servicemember shall be entitled to a total of 26 workweeks of leave during a 12-month period to care for the covered servicemember. The leave described in this paragraph shall only be available during a single 12-month period.
- A "*qualifying exigency*" arising out of a covered family member's active duty or call to active duty in the Armed Forces in support of a contingency plan; and/or
- To care for a covered family member who has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that such injury or illness may render the family member medically unfit to perform duties of the member's office, grade, rank or rating.

3. Definitions

- **Covered Servicemember.**—The term “covered servicemember” means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness.
- **Outpatient Status.**—The term “outpatient status,” with respect to a covered servicemember, means the status of a member of the Armed Forces assigned to—
 - (A) a military medical treatment facility as an outpatient; or
 - (B) a unit established for the purpose of providing command and control of members of the Armed Forces receiving medical care as outpatients.
- **Next of Kin.**—The term “next of kin,” used with respect to an individual, means the nearest blood relative of that individual.
- **Serious Injury or Illness.**—The term “serious injury or illness,” in the case of a member of the Armed Forces, including a member of the National Guard or Reserves, means an injury or illness incurred by the member in line of duty on active duty in the Armed Forces that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating.

4. Duration of Servicemember FMLA

- **When Leave Is Due to a “Qualifying Exigency”:** An eligible employee may take up to 12 workweeks of leave during any 12-month period.
- **When Leave Is to Care for an Injured or Ill Servicemember:** An eligible employee may take up to 26 workweeks of leave during a single 12-month period to care for the servicemember. Leave to care for an injured or ill servicemember, when combined with other FMLA-qualifying leave, may not exceed 26 weeks in a single 12-month period.
- Servicemember FMLA runs concurrent with other leave entitlements provided under federal, state and local law.

E. California Paid Family Leave (“PFL”)

If you stop working or reduce your work hours to care for a family member who is seriously ill or to bond with a new child, you may be eligible to receive Paid Family Leave (“PFL”) benefits.

The Company will provide a copy of the “Paid Family Leave” brochure DE 2511, to each newly hired employee, and to each employee leaving work to care for a seriously ill family member or to bond with a new child. You must file your “Claim for PFL Benefits,” DE 2501F, within 49 days of the first day of your family leave to avoid losing benefits.

To qualify for Paid Family Leave, you must be covered by SDI and have earned at least \$300 from which deductions were withheld, supply any required medical information, use up to two weeks of any earned vacation leave, and serve a seven-day unpaid waiting period. See the HR Department if you have questions or desire further information.

If you are on a PDL and you are eligible for a portion of paid benefits from the California EDD under PFL, you may apply directly to the Employment Development Department.

F. Jury Duty and Witness Duty

1. APL encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request unpaid jury duty leave for the length of absence. If desired, non-exempt employees may use any available paid time off (for example, vacation benefits). Exempt employees who perform any work during the workweek will be paid for the entire week.
2. **Leaves of Absence.** All employees may attend jury duty in accordance with their legal responsibilities to do so. Employees will be granted an unpaid leave of absence for this purpose not to exceed two weeks. Exceptions will be made only in the sole discretion of management. Employees are expected to give the Company immediate notice when they have been summoned for jury duty and then reasonable advance notice when they are selected to serve on a jury. Furthermore, it is your responsibility to bring both (i) your jury summons and (ii) your certificate of completed jury service to your immediate supervisor immediately upon receipt.

Even though an unpaid leave of absence will be provided under the circumstances explained above, benefits will be payable to employees for time spent on jury duty only under the circumstances described below:

3. **Work Attendance.** Evidence of jury duty attendance must be presented to the Company. Employees should continue to report for work on those days or parts of days when excused from jury duty or when jury duty does not conflict with their work schedule. Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.
4. **Return to Work.** It is your responsibility to report for employment at the end of an approved leave. Failure to do so will be considered voluntary termination.
5. **Company Request for Excuse from Jury Duty.** APL may request an excuse from jury duty if, in APL's judgment, your absence would create serious operational difficulties.
6. **Appearance as a Witness.** The same principles applicable to jury duty also apply if you are subpoenaed to appear as a witness in a court proceeding. Immediately supply the subpoena to your supervisor, and be prepared to have the court or the party who subpoenaed you furnish documentation of your service as a witness. You

will be excused from work only for the period of time necessary for you to testify in the court proceeding. Assuming your witness service requires only a portion of a workday, you are expected to report for work for the balance of that day.

Vacation and holiday benefits will continue to accrue during unpaid jury duty leave.

G. Time Off for Victims of Domestic Violence, Sexual Assault, or Stalking

An employee who is a victim of domestic violence, sexual assault, or stalking is provided unpaid time off to attend to any of the following: (1) to seek medical attention for injuries caused by domestic violence, sexual assault, or stalking; (2) to obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking; (3) to obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking; and (4) to participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

Reasonable advance notice should be given to an employee's supervisor or to the HR Department before taking any time off, unless advance notice is not feasible. When advance notice is not feasible resulting in an unscheduled absence from work, an employee, within a reasonable time after the absence, should provide a certification to APL which can take any of the following forms: (1) a police report indicating that the employee was a victim of domestic violence, sexual assault, or stalking; (2) a court order protecting or separating the employee from the perpetrator of an act of domestic violence, sexual assault, or stalking, or other evidence from the court or prosecuting attorney that the employee appeared in court; or, (3) documentation from a medical professional domestic violence advocate, health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting from an act of domestic violence, sexual assault, or stalking.

APL will provide reasonable accommodation for a victim of domestic violence, sexual assault, or stalking who requests an accommodation for the safety of the victim while at work. This reasonable accommodation may include the implementation of one or more safety-related measures, and the Company will engage in a timely, good faith, and interactive process with the employee to determine effective reasonable accommodation measures. The Company will make reasonable efforts to maintain the confidentiality of any employee requesting time off on account of domestic violence, sexual assault, or stalking. No adverse action will be taken against any employee in any manner for requesting or taking time off as provided in this policy.

Employees may use accrued vacation, personal days, or compensatory time off that is otherwise available to the employee for time off for reasons discussed above.

H. Time Off for Victims of Crime

Employees who have been victims of serious or violent felonies, or felonies relating to theft or embezzlement, may take time off work to attend judicial proceedings related to the crime. Employees may also take time off if an immediate family member, domestic partner or domestic partner's child has been a victim of such crimes and needs to attend judicial proceedings related

to the crime. Immediate family member is defined as spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather.

Employees must give Human Resources a copy of the notice given to the victim of each scheduled proceeding before taking time off, unless advance notice to APL of the need for time off is not feasible. When advance notice is not feasible, the employee must provide APL with documentation evidencing the judicial proceeding, within a reasonable time after the absence. The documentation may be from the court or government agency setting the hearing, the district attorney or prosecuting attorney's office, or the victim/witness office that is advocating on behalf of the victim.

I. Unpaid Leave for School Activities

Employees who are parents, guardians or custodial grandparents of a child or children enrolled in kindergarten through grade 12 may take time off from work, up to forty (40) hours per school year, per child, to visit the child's school. Employees must provide reasonable advance notice of not less than 48 hours of the planned absence to their supervisor and must use vacation days, if available, for the visit(s). ***You will be asked by your supervisor to provide documentation from the school verifying the date and time of your visit(s). Employees will be limited to no more than eight (8) hours of leave time for this purpose in any one month.***

Further, parents or guardians of a child who has been suspended from school who receive a notice from the child's school requesting that they attend a portion of a school day in the child's classroom may take unpaid time to appear at the school. Such employee must, prior to their planned absence, give reasonable notice to their supervisor that they have been requested to appear in their child's school.

For scheduled events, employees must request time off at least two weeks in advance. In emergencies, the Company asks that employees provide at least one day notice or call before the beginning of the scheduled shift.

J. Military Leave

If you are called to active duty in the U.S. military, Reserves or California National Guard, you are eligible for unpaid military leave of absence in accordance with applicable state and federal law. Present your supervisor with a copy of your service papers as soon as you receive them. The Company will grant employees a military leave of absence to the extent required by applicable federal and state law. Please contact the HR Department for further information, or if you have any questions.

K. Time off for Military Spouses

Eligible employees who work, on average, at least twenty (20) hours per week and have a spouse in the United States Armed Forces, the National Guard, or the Reserves who is deployed during a period of military conflict, will be eligible to take leave for a period of up to ten (10) days while your spouse is on leave from that deployment.

Required Notice to the Company. Within two (2) business days of receiving official notice that your spouse will be on leave from deployment, you must provide notice to the Company of your intent to take military spouse leave.

Required Documentation. You must submit written documentation to the Company certifying that during your requested time off, your spouse is a “Qualified Member” who will be on leave from deployment during a period of military conflict.

Leave is Unpaid. Leave granted under this policy is unpaid. Employees may, however, substitute accrued, unused vacation time for any period of unpaid military spouse leave.

Definitions. For the purposes of this policy, the following definitions apply:

“Qualified Member” means any of the following:

- A member of the U.S. Armed Forces who is deployed during a period of military conflict to an area designated as a combat theater or combat zone by the President of the United States; or
- A member of the National Guard who is deployed during a period of military conflict; or
- A member of the Reserves who is deployed during a period of military conflict.

“Period of Military Conflict” means either of the following:

- A period of war declared by the U.S. Congress; or
- A period of deployment for which members of the Reserves are ordered to active duty.

L. Time off for Volunteer Firefighters, Reserve Peace Officers, Civil Air Patrol and Emergency Rescue Enforcement Personnel

Employees serving as volunteer firefighters, reserve peace officers, Civil Air Patrol or emergency rescue personnel are permitted to take time off to perform emergency duty in that capacity. In addition, an employee who performs duties as a volunteer firefighter, reserve peace officer, or emergency rescue personnel, will be permitted to take temporary leaves of absence, not to exceed 14 days per calendar year, for the purpose of engaging in fire, law enforcement, or emergency rescue training. Time off will ordinarily be unpaid except where the law requires otherwise. If you request time off under the policy you must notify your direct supervisor immediately after the need for the leave becomes known.

M. Voting Leave

If an employee does not have sufficient time outside of working hours to vote in a statewide election, the employee may take off enough working time that, when added to the voting time available outside of working hours, will allow the employee to vote. Such time off shall be taken at the beginning or the end of the regular working shift, whichever allows for more free time for

voting and the least time off from work. Under these circumstances, an employee will be allowed up to two hours of time off to vote, without loss of pay. Whenever possible, an employee requesting time off to vote shall give his or her supervisor at least two days' notice.

N. Organ and Bone Marrow Donation Leave

Employees will be granted time off, with pay, for up to 30 days within a one year period for organ donation. Employees will be granted up to 5 days paid leave within a one-year period to donate bone marrow. This leave may be taken at one time, or intermittently. Leave for organ or bone marrow donation may be taken in addition to any family and medical leave rights to which you may be entitled.

To qualify for this leave, you must provide the Company with written verification that you are an organ or bone marrow donor, and that there is a medical necessity for the donation of the organ or bone marrow. For paid bone marrow leave, employees must use accrued but unused sick leave or vacation leave, up to a maximum of 5 days. For paid organ donor leave, employees must use accrued, but unused sick leave or vacation leave, up to a maximum of two weeks.

O. Drug and Alcohol Rehabilitation Leave

APL is committed to providing assistance to our employees to overcome substance abuse problems. APL will reasonably accommodate any employee who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program. This accommodation may include time off without pay or an adjusted work schedule, provided the accommodation does not impose an undue hardship on APL's operations. You may also use accrued vacation for this purpose, at your option.

You should notify your supervisor or the HR Department if you need such accommodation. APL will take reasonable steps to safeguard your privacy with respect to the fact that you are enrolled in an alcohol or drug rehabilitation program.

Note for all unpaid leaves of absence: Employees may elect to use accrued paid vacation time for the absence. If the employee does not elect to use paid time off, the absence will be unpaid. However, exempt employees will be paid their full salary for any workweek interrupted by the need for time off under these policies.

Note: Leaves of absence in California workplaces may be different from standards in other states in which APL does business. Employees who work in other states are subject to the laws in those states.

RETURNING FROM LEAVE OF ABSENCE

When you are on an authorized leave of absence, an effort will be made to hold your position open for the period of the approved leave. However, due to business needs, there will be times when positions cannot be held open and it is not possible to guarantee reinstatement. With the exception of PDL, CFRA, FMLA, and any other applicable laws under which reinstatement is required, all employees are subject to this provision.

If your former position is unavailable when you are ready to return from an approved leave, every effort will be made to place you in a comparable position for which you are qualified. If such a position is not available, you may be offered the next suitable position for which you are qualified that becomes available. In addition, the Company will attempt to reasonably accommodate employees who are released for partial or modified duty.

Any employee who does not accept the position offered will be considered to have voluntarily terminated his/her employment, effective the day such refusal is made. Reinstatement will require a new employment application, and the same pre-employment process required of all similarly situated applicants. Reinstatement is subject to the discretion of management.

SECTION 6
EMPLOYEE BENEFITS

SECTION 6 EMPLOYEE BENEFITS

BENEFITS

The Company provides certain benefits (including certain holidays, vacation, and group health insurance) for its regular full-time employees and part-time employees who work at least 30 hours per week. Due to the rapidly changing nature of health care and impact on other benefits, it is not possible to review in detail in this Handbook the various benefit packages APL offers to employees. It is important to note that APL funds the benefits offered and your employment makes you eligible the first day of the month following 60 days of continuous service.

1. *Group Insurance:* The Company provides group medical, dental and life insurance. The Company reserves the right to eliminate or modify any of its benefits at any time. Accordingly, the amount of the premium that APL pays for employees and for dependent coverage may vary from time to time.

You should receive your enrollment package, with details concerning available coverage and terms/conditions for maintaining personal and dependent benefits coverage. You should direct specific questions concerning the available coverage and plan specifications to the HR Department.

When you become eligible you will be given an enrollment card to complete. After your enrollment is processed, you will receive insurance identification cards and a booklet describing your medical coverage in detail. The details of our medical insurance plan are set forth in the Plan booklet, which has been distributed to all eligible employees.

2. *Workers' Compensation Insurance:* The Company carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance provides medical, surgical and hospital treatment in addition to payment for loss of earnings that result from work-related injuries. Compensation payments begin from the first day of your first day of hospitalization or after the third day following the injury if you are not hospitalized. The cost of this insurance policy (premiums) is paid completely by the Company.

3. *Conversion/Post-Employment Insurance Options:* Pursuant to the Consolidated Omnibus Reconciliation Act of 1985 (COBRA), eligible employees and their dependents may be entitled to continue insurance coverage after employment with the Company ceases. Federal law requires that most employers sponsoring group health insurance plans offer employees and their families the opportunity for a temporary extension of health coverage at group rates in certain instances where coverage under the plan would otherwise end. If you lose group coverage because of a reduction in your hours of employment or the termination of your employment, you are eligible for COBRA benefits (with very narrow exceptions). If you are the spouse of an employee covered by the group insurance, you have the right to choose continuation coverage for yourself if you lose group coverage for any of the following reasons:

- 1) The death of your spouse.

- 2) The termination of your spouse's employment (for reasons other than misconduct or an illegal act).
- 3) Divorce or legal separation from your spouse.
- 4) Your spouse becomes eligible for Medicare.

If you are a dependent child of an employee covered by the group health plan, you have the right to choose continuation coverage for yourself if you lose group coverage for any of the following reasons:

- 1) The death of a parent.
- 2) The termination of a parent's employment (for reasons other than misconduct or an illegal act).
- 3) Parent's divorce or legal separation.
- 4) A parent becomes eligible for Medicare.
- 5) You cease to be an eligible dependent child under the plan.

Under the law, an employee or family member has the responsibility to inform APL of any such reasons. You must inform your manager or bookkeeper as soon as you are aware of any such reasons. Your insurance provider will then be notified and the appropriate forms will be sent to your last address in your personnel file. Under the law, you or your dependents have 60 days to complete all appropriate forms. Under the law, you will have to pay 102% of the premium for your continuation coverage. At the end of 18 months or 3-year continuation coverage period, you will be allowed to enroll in an individual conversion medical plan.

If you do not choose continuation coverage, your group health insurance coverage will end on the last day of the month of qualifying event.

Please note: if you choose continuation coverage you will be informed of the amount of premium and the date by which the premium must be submitted each month. If you fail to make the entire payment due on or before the due date, your coverage will lapse. The Company cannot pay or advance COBRA premium payments on your behalf and you are solely responsible for making sure that the payment is timely submitted.

4. State Disability Insurance: California law requires that all employees, regardless of how many hours you may work per week, contribute a fixed percentage of your wages each year for State Disability Insurance (SDI). The purpose of this program is to ensure that all eligible workers have a portion of their income continued during a period of disability resulting from an injury or illness incurred OFF THE JOB. Most employees depend on their job as a principal means of support. A disability or illness could temporarily or even permanently eliminate your ability to earn a living. Disability benefits may be payable to eligible employees through the State. Benefits begin on the 8th consecutive day of disability or illness or the 1st day of hospitalization. The State sets the rates paid, and will generally change them on January 1st. Further information on such benefits and guidelines can be received from the State.

5. Unemployment Compensation, State Disability Insurance and Social Security:

The Company participates in the programs for unemployment compensation, State disability and social security as required by law. This includes making the payments required of it and withholding deductions from the employee's pay.

6. Social Security: Disability benefits from Social Security usually begin in the 6th month of disability. If you are expected to remain disabled for at least a 12-month period, you should file your claim with your local Social Security Office after your first few months of disability in order to ensure that your payments will begin on time. Disability benefits under Social Security are substantial and should be investigated carefully with the assistance of your local Social Security Office. Social Security considers you to be totally disabled and eligible for disability benefits if you are unable to perform not only your present job but any gainful work which is available and reasonable considering your age, education and work experience. Nearly all working people who have paid Social Security taxes for several years are eligible. For more information on Disability Benefits, contact your local Social Security Office.

7. 401(k) Retirement Plan. After one full year of continuous service in which you work 1,000 hours, you may become eligible to enroll in the Company's 401(k) plan. Enrollment is in June and December to be effective on the first paycheck in January and July. You will receive enrollment information and plan details for making pre-tax contributions to your account from your Division Manager and/or the HR Department. The Company reserves the right to change the terms and conditions of the 401(k) retirement plan at any time.

As the Company's business needs change, APL may change, alter or discontinue any discretionary benefits programs described in this handbook. Employees will be provided with the details of any new programs, plans or benefits by management and the Human Resources Department.

SECTION 7

**STANDARDS OF PERFORMANCE AND
PERSONAL CONDUCT**

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PERSONAL CONDUCT

The orderly and efficient operation of Company facilities and work sites requires that all employees maintain certain standards of job performance and good conduct. When performance or conduct does not meet Company standards, the Company will endeavor, when it deems appropriate, to provide employees a reasonable opportunity to correct the deficiency. If, however, you fail to make the correction or improvement when offered the opportunity to do so, you will be subject to discipline, including termination of employment. (Note that some deficiencies may not result in an opportunity for correction or improvement being offered. Moreover, even when it does endeavor to provide opportunities for correction or improvement, the Company in no way alters or limits the Company's at-will employment policy.)

It is not possible to provide employees a complete list of every possible type of action which may result in discipline or termination. Management reserves the right to establish standards of conduct as it deems necessary. However, to provide employees some guidance concerning unacceptable behavior, the following are considered impermissible. Employees who engage in misconduct or whose performance is unsatisfactory are subject to disciplinary action, up to and including termination. The list below is intended simply to provide some examples of disciplinary offenses.

A. *Job Performance*

Employees may be disciplined or terminated for poor performance including, but not limited to, the following:

1. Below-average work quality or quantity as set forth in job description and compensation plan.
2. Reports or complaints by a customer or business partner.
3. Poor attitude (for example, discourtesy, rudeness or lack of cooperation) or failure to follow the instructions of a supervisor or manager.
4. Excessive absenteeism, tardiness or abuse of rest break and meal period privileges or a pattern of poor attendance.
5. Failure to follow instructions or Company procedures.
6. Failure to follow established safety regulations.
7. Reporting to work or attempting to work when physically or mentally unfit for reasons such as illness, injury, lack of sleep, influence of stimulants, depressants, liquor or drugs, emotional strain or other unfit condition.
8. Creating or contributing to unhealthful, unsanitary or unsafe conditions, including littering.

9. Loafing, wasting time or sleeping during working hours.
10. Failure to meet a reasonable measure of efficiency.
11. Failure to be ready to work at one's work station at start of shift or end of meal period, and/or failure (except for rest breaks) to remain at one's work station from start of shift until the end of shift.
12. Repeated refusal of overtime work assignments without satisfactory reasons.
13. Inattention, carelessness or negligence (willful or otherwise) which causes or could cause injury to other employees or damage to Company property.
14. Horseplay or mischief which endangers the safety of others or creates the possibility of damage to Company property.

B. *Misconduct That May Result in Discipline or Termination*

1. Theft, abuse or defacing of any property belonging to the Company or fellow workers, including stealing from customers' property.
2. Falsification or forgery of, or making a material omission on, forms, records, or reports, including time cards, applications for employment, customer records or checks, entertainment receipts, or Company credit cards.
3. Lying to any supervisor or manager.
4. Actual or threatened physical violence towards another employee.
5. Insubordination, refusing to follow a supervisor's directions, or other disrespectful conduct toward a supervisor.
6. Use of abusive language, verbal or visual, to any other person on Company premises; loud screaming, laughing or disruptive behavior.
7. Destroying or damaging property, records or other materials owned or leased by APL or any employee.
8. Violating safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
9. Using, possessing or being under the influence of alcohol or unlawful drugs while on duty, while on APL's property, or while operating an APL-owned or leased vehicle.
10. Sexual harassment or other unlawful harassment of another employee.

11. Misappropriation or theft of APL funds, including unauthorized use of Company funds, Company credit cards and charge accounts for personal use. Personal expenses must be reimbursed.
12. All employees must arrive at work in condition to work. You will be subject to disciplinary action and termination if you arrive “hung over” or under the influence of drugs or alcohol. No use of drugs or alcohol is permitted during or after working hours on any part of Company or customer premises.
13. Copying any confidential information or records for non-Company use.
14. Bringing to work or displaying any writings, posters, pictures or literature on Company premises unless authorized in writing by management.
15. Solicitation of customers or other employees for sale of personal products including cosmetics, kitchenware or other similar items during working hours.
16. Violation of Company policies regarding security or protection of trade secrets and other confidential information.
17. Commission of criminal conduct, whether on-duty or off-duty, that is sufficiently associated with the Company so as to pose a reasonable threat of risk of injury to the Company’s business reputation.

C. Investigation of Employees for Misconduct

APL may occasionally find it necessary to investigate employees, where behavior or other relevant circumstances raise questions concerning work performance, reliability, honesty, trustworthiness, or potential threat to the safety of coworkers or others. Employee investigations may, where appropriate, include credit reports and investigations of criminal records (including appropriate inquiries about any arrest for a crime of dishonesty, theft, drugs or violence) and for which the employee is out on bail or awaiting trial. Employees subject to an investigation are required to cooperate with the Company’s lawful efforts to obtain relevant information.

The purpose of the investigation is to discover the underlying reasons for the problem so that management can take corrective action. Investigations are a tool for management to use in analyzing the reasons for problems or gathering data to make management decisions.

Reports/Complaints of Misconduct: APL will also investigate any possible fraudulent or dishonest use or misuse of APL resources or property by management or employees, or other misconduct. Anyone found to have engaged in a fraudulent or dishonest conduct is subject to disciplinary action by APL up to and including termination of employment. The Company also may pursue civil or criminal prosecution when warranted.

Non-Retaliation for Reporting: The Company will not retaliate against any employee who makes a report or complaint in good faith, believing the allegations to be true, whether or not the ultimate investigation substantiates the perceived misconduct.

Duties of Employees Participating in Investigations: Any employee who participates in an official Company investigation, whether as reporting/complaining party or as independent witness, is required to provide truthful, good faith information that is within your personal knowledge. Violations of this policy may result in discipline, up to and including termination. Providing false information, when substantiated, will result in automatic termination.

Baseless Allegations: Any employee who makes allegations with reckless disregard for their truth or falsity, as determined by a neutral investigation, may be subject to disciplinary action and /or legal claims by individuals accused of misconduct.

D. Inspections and Searches on Company Property

The Company believes that maintaining a workplace free of illegal drugs, alcohol, and other illicit materials is vital to the health and safety of its employees and to the Company's success. APL also intends to protect against the unauthorized use and removal of Company property and disclosure of trade secrets, and to assure its access at all times to Company property, equipment, records, documents, and files. This policy applies to all employees of the Company.

The Company reserves the right, without employee consent, to search all Company premises and Company property at any time for non-investigatory work-related reasons, as well as to search for evidence of suspected work-related misconduct.

Prohibited materials: mean hazardous materials or articles; illegal drugs; drug-related paraphernalia; alcoholic beverages and Company property that you are not authorized to have in your possession.

Company property: includes all vehicles, documents, records, computers, computer hardware, software, e-mail and files relating to the Company's business and all equipment, hardware or other property of any kind, whether owned, leased, rented, or used by the Company.

Company premises: includes all premises and locations owned, leased, or rented by the Company or under the control of the Company, including vehicles, offices, desks, cabinets, closets, parking lots, lockers, and storage areas.

Reasonable suspicion: includes a suspicion that is based on specific personal observations, information provided by management, by an employee, by law enforcement officials, by a security service, or by other persons believed to be reliable; or a suspicion that is based on other surrounding circumstances.

Possession: means having the prohibited materials on one's person or otherwise under one's control, and while on Company premises, on Company property, or while engaging in any activity on behalf of the Company.

PROGRESSIVE COACHING

Any employee may be subject to corrective action or coaching for misconduct or unsatisfactory job performance. Progressive coaching is intended to be a collaborative effort between the supervisor and division manager. Coaching may take any of the following forms:

- counseling
- reminders (oral and written)
- written reprimand
- notice that an employee may be terminated if there is not improvement
- suspension without pay
- termination of employment

These steps are only guidelines and may be used separately or in combination, in any sequence, or may be skipped or entirely disregarded at management's discretion, based on the circumstances under which the misconduct or unsatisfactory performance occurred, and the employee's overall work and disciplinary record. Termination may also result without any prior warning in cases of serious misconduct, flagrant violation of workplace standards of conduct, insubordination, or where APL otherwise determines to take such action, in accordance with its at-will employment policy. Any use of progressive coaching or discipline does not alter the at-will nature of employment at APL.

The CEO/President and/or Chief Operating Officer, or their authorized representative, must approve all terminations prior to any final action being taken on a termination.

RETURN OF COMPANY PROPERTY

Employees are expected to return all Company property in their possession or control immediately upon termination or separation of employment. This includes this Employee Handbook and any keys, tools, equipment, I.D. cards, gas/credit cards, or manuals they have received. Where permitted by law, the Company will withhold from your final check the cost of any items not returned, and may take additional action deemed necessary to protect or recover its property.

FINAL PAYCHECK

Employees will receive their final paycheck within the time required by law. The final paycheck for employees who resign with at least 72 hours advance notice will be provided on their last day of work. Employees who resign without providing at least 72 hours advance notice, however, will receive their final paycheck within 72 hours of their resignation. Employees who are terminated involuntarily will be provided their final paycheck on their last day of work. Company property, such as keys, tools and equipment, must be returned by each employee at the time the final paycheck is provided. Where permitted by law, including pursuant to a signed payroll deduction authorization form, the Company will deduct from your last paycheck the replacement cost of tools, equipment, Company property or safety equipment which are damaged or not returned.

REDUCTIONS IN FORCE

It may be necessary or appropriate from time to time for the Company to make adjustments to the workforce. Depending upon the circumstances that give rise to such a situation, the Company may respond in several ways, including offering a voluntary reduction of hours or days of work, reducing employees' hours or days of work, or implementing a reduction in staff, i.e., a layoff. If this occurs, the affected employees will be notified.

In the event of layoff in a given job classification in a department or a division, and where skill and ability are reasonably equivalent in the sole discretion of the Company, APL normally will lay off the employee in the affected job classification who has the least amount of time in service with the Company. Furthermore, the Company also will take into account the Company's right and need to maintain fully qualified personnel on all job sites and shifts.

REHIRED EMPLOYEES

Laid off employees will be recalled in reverse of the order in which they were laid off, provided that they have the skill and ability to perform the work available upon recall.

A. *Employees Re-hired Within 30 days*

No New Introductory Period: Employees who are rehired within thirty (30) days of a separation from employment will be fully reinstated with no break in service for purposes of pre-employment drug testing. A pre-employment medical examination may be required.

Medical Benefits: An employee who is re-hired within 31 days from the date benefits are terminated will have no break in coverage. The employee will be responsible for reimbursement to the Company for any missed deductions.

Because APL's benefits programs may change from time to time, employees should consult the APL Employee Benefit Plan Document or contact the Human Resources Department for complete details and procedures.

Vacation: Employee will also retain the same vacation level they had prior to separation.

B. *Employees Re-hired Between 31 Days and One Year*

New Introductory Period: Separated employees who are rehired following a break in service of between 31 days and a year must serve a new 90-day introductory period. Such employees are considered new employees from the effective date of their re-employment for purposes of calculating benefits eligibility (except for FMLA/CFRA eligibility, under which prior service will count).

Medical Benefits: An employee whose employment previously separated employment and who is re-hired after a period of thirty-one (31) days will not become covered under the health insurance plan until the first day of the month following the completion of 60 days of continuous employment. However, if the employee continued coverage under COBRA without interruption, only those benefits continued under COBRA (including dependent coverage) will be reinstated

effective on the first day of the month following the day that they return to active employment status.

Because APL's benefits programs may change from time to time, employees should consult the APL Employee Benefit Plan Document or contact the Human Resources Department for complete details and procedures.

Vacation: Employees re-hired within one year of separation will retain the same vacation level they had prior to separation.

C. 401(k) Plan Re-Enrollment

Employees who met the eligibility requirements **and participated in the 401(k) plan prior to separation** and who are re-hired within 5 years of separation can re-join the plan at the next plan entry date (enrollment period).

Employees who met eligibility requirements but terminated prior to the enrollment period:

- If the employee is re-hired within one year of termination, the participant can join the plan at the next plan entry date (enrollment period).
- If the participant has returned more than a year of termination, the participant will have to meet the eligibility requirements again.

Please click on the link below to acknowledge receipt and understanding of the Arizona Pipeline Co. Handbook

<https://arizonapipeline.wufoo.com/forms/arizona-pipeline-employee-handbook-acknowledgment/>