

DARA'S LLC EMPLOYEE HANDBOOK



WELCOME TO DARA'S LLC

This handbook will provide you with information regarding company procedures and policies and give an overview of the Employee Benefit Package offered by Dara's LLC. The company reserves the right to revise, modify, delete, and add to the policies, procedures and benefits stated in this Handbook or any other document. Revised pages will be provided to employees when appropriate. Please keep this Handbook available and add any updated materials so that you are current at all times. If any policy in this Handbook is inconsistent with any applicable law or regulation, the applicable law or regulation will supersede the company's policy.

Dara's provides this Handbook to give you general company information. This Handbook is not to be considered a contract of employment, either express or implied, between you and the company, and all of these policies are subject to change, at any time, at the sole discretion of the owners of Dara's. The company also reserves the right to interpret the contents of the Handbook or vary its actions to fit the particular circumstance.

Employment with Dara's is on an "at will" basis, meaning that either you or the company may terminate the employment relationship at any time, with or without cause or notice. No supervisor, manager, or representative of the company other than the Owners, Chris Darrah and Ross McKinney, has the authority to enter into any agreement with you for any specified period or to make any promises or commitments with regard to wages, hours, benefits or working conditions. This Handbook may not be amended orally by any supervisor or member of management other than the Owners. We at Dara's encourage you to read this Handbook carefully. It is your responsibility to raise any questions with your Store Manager or with the Dara's Corporate Office.

COMPANY HISTORY

Dara's LLC is a prominent and respected, locally owned convenience store chain located in the Manhattan, Kansas area. We have earned this position within the community, in large measure, because of hardworking and dedicated individuals who believe in teamwork.

The Dara's tradition began in Manhattan, Kansas in 1967 when Elton Darrah and Jack Orsbern entered partnership and purchased Lumb's Thriftway on the corner of Denison and Claflin. It was operated for a number of years as a full line, full-service neighborhood grocery store. As the times and trends changed and the major supermarkets grew bigger, neighborhood grocers became more and more obsolete. The market for smaller stores had changed to one of convenience and location, so our company changed with the times. In 1976, Elton Darrah opened his first true convenience/gasoline operation. The company experienced much success during the next ten years and in 1983, Elton Darrah retired, and his son, Chris Darrah and a business partner purchased the company and operated the stores as Shop Quik. In 1993, Chris Darrah and his business partner split up the stores and Dara's Fast Lane, Inc. was created. Dara's Fast Lane grew quickly. In 2015, Ross McKinney became a partner with Chris Darrah and Dara's Fast Lane, Inc was renamed Dara's LLC. At present, Dara's operates seven stores throughout the Manhattan and Saint George areas and employs approximately 100 employees, some of which have been with the company for more than a decade. In 2010, Dara's created Just in Time LLC, which distributes grocery items to all of the Dara's stores as well as other businesses. In 2013, Dara's added an ice plant in the warehouse and N'Ice Inc was formed. N'Ice provides

bagged ice to all the Dara's locations, several other retail businesses in the area, and direct sales to customers for events. Dara's is committed to maintaining its prominent and respected position in the Manhattan market. Owners, Chris Darrah and Ross McKinney, have refocused the company and are making strides to incorporate new technology that will help Dara's achieve even more growth in the next few years.

COMPANY PRINCIPLES (P-R-I-D-E)

While planning strategies to widen the gap between this company and its competitors, Dara's took a close look at the company and its employees. Dara's came up with ten pride principles that spring from the company's PRIDE Mission Statement:

“To provide customer-driven service delivery that is flexible and ever-improving.”

PRIDE Principles:

Exceed Customer Expectations-

Every Contact is an opportunity to demonstrate our commitment to service.

Live the Golden Rule-

Treat others with courtesy and respect.

Be a Leader-

Everyone can be a leader, even if you only lead yourself.

Participate and Contribute-

The success of Dara's is everyone's responsibility.

Pursue Excellence-

Relentlessly search for improvement.

Work as a Team-

Teamwork promotes innovation and encourages creativity.

Share Knowledge-

It only reaches its full potential when shared.

Keep it Simple-

Make it easy for our customers to do business with us and for us to work together.

Listen and Communicate-

Our customers and our co-workers want and deserve our best.

Have Fun

If you're not, figure out what's stopping you and change it.

Dara's has learned that it can focus employee actions and effort by making sure that not only do employees know what the company's values are, but that they live them every day of the week. Dara's is proud to have you on the team. You have just become one of the most important reasons for Dara's continued success. We hope that you will find working with us a happy and rewarding experience.

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DARA'S LLC COMPANY POLICIES

Unless otherwise indicated, the following information pertains to all Dara's employees, part-time, as well as full-time.

I. Non-Discrimination, Accommodation and Anti-Harassment

A. Non-Discrimination

Dara's is an equal opportunity employer. All employment-related decisions, including but not limited to hiring, compensation, promotion, discipline (including termination), evaluation, training, and developmental opportunities, etc., are made without discrimination on the basis of race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, citizenship or any other category protected by applicable law. The company strictly prohibits all discrimination and harassment based upon an individual's race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, citizenship, or any other protected category. Nor does the company discriminate against or harass any applicant or employee based on that individual's relationship or association with any individual with a disability. Any incident or such harassment or discrimination must be immediately reported in accordance with the company's Anti-Harassment policy.

B. Genetic Information Non-Discrimination

Dara's does not discriminate against any applicant or employee because of that individual's genetic information (including information from genetic tests, the genetic tests of family members, the manifestation of a disease or disorder in a family member, family medical history, or information about any employee's, applicant's, or family member's request for or receipt of genetic services). Nor does the Company improperly request, require, or purchase any genetic information. Testing for drug or alcohol use is not considered "genetic testing," and may be required by the Company in appropriate circumstances. Any specimen(s) gathered for drug and alcohol testing will not be tested for any genetic information.

To the extent the Company receives information about an applicant's or employee's family medical history or other genetic information inadvertently or otherwise (e.g., in the administration of a leave or accommodation request), that information will not be used except as required for any legitimate purpose (e.g., to consider an employee's leave request relating to a family member's medical condition), and will be treated and maintained as a confidential medical record and will not be disclosed except as allowed or required by applicable law.

The Company will not retaliate against any individual because the individual honestly and in good faith makes a complaint of discrimination based on genetic information, and/or participates or cooperates in an investigation of alleged discrimination based on genetic information. Employees who feel they have been retaliated against for making a complaint or participating in an investigation should immediately report the circumstances or incident to the Human Resources Manager.

C. Reasonable Accommodation

Dara's provides reasonable accommodation upon request for qualified individuals with known disabilities unless undue hardship to the company would result. Such reasonable accommodation will be provided to enable such individuals to: 1) apply for employment with the company; 2) perform the essential functions of their jobs; and 3) to enjoy the other terms, conditions, and privileges of employment. Request for accommodation should be made to the Human Resources Manager. All requests for accommodation will be treated confidentially to the extent possible for effective analysis and administration of the request. The company also provides reasonable accommodation upon request for employees' religious practices and observances unless undue hardship to the company would result. The company may exercise the right to require additional documentation concerning the need for any requested accommodation.

D. Break Time for Nursing Women

The company provides female employees who are nursing with reasonable break times during normal working hours to express breast milk. The company encourages female employees to use regularly scheduled breaks during the workday to express breast milk. However, the company also permits a female employee to take additional, unpaid breaks each workday for up to one year after the birth of her child as reasonable and necessary to express breast milk.

As needed, the Company will designate a private location at any facility where a female employee who is nursing may express breast milk. Check with Human Resources and your manager for the designated location at your facility.

E. Anti-Harassment

Dara's strives to provide a work climate of integrity where respect is given to each individual. Discrimination and harassment of Company employees by anyone - management, supervisors, co-workers, or non-employees, including vendors, suppliers or customers - on the basis of race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, citizenship or any other protected category are prohibited by the Company.

Prohibited conduct includes unwelcome conduct, whether verbal, physical, or visual, that is based on or relates to an individual's race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, citizenship or any other status protected by applicable law and 1) has the purpose or effect of creating an intimidating, hostile or offensive working environment; 2) has the purpose or effect of unreasonably interfering with an individual's work performance; or 3) otherwise adversely affecting an individual's employment opportunities.

Examples of prohibited conduct include but are not limited to, epithets, slurs, negative stereotyping, written or graphic material, including e-mails, that denigrate or show hostility toward an individual, or any other threatening or intimidating act that relates to race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, citizenship or any other status protected by applicable law.

Prohibited behavior also includes any unwelcome behavior of a sexual nature, whether between or among individuals of the same or opposite sex, and whether or not motivated by romantic or

sexual desire, such as: sexual advances and propositions; requests for sexual favors; sexual jokes, comments, suggestions, or innuendo; foul or obscene gestures or language; display of foul or obscene or offensive printed or visual material; physical contact such as patting, pinching, hugging or brushing against another individual's body; and any other unwelcome verbal, physical or visual conduct of a sexual nature where:

1. Submission to such conduct is an explicitly or implicit condition of employment; or
2. Submission to or rejection of such conduct is used as a basis for employment-related decisions such a promotion, discharge, performance evaluation, pay adjustment, discipline, work assignment or any other condition of employment or career development; or
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, abusive or offensive working environment.

This policy applies universally to all company employees in their dealings with each other and to third parties in their dealings with company employees. Any employee who violates this policy will be subject to disciplinary action up to and including termination. A salaried exempt employee may be suspended in full day increments without pay for violations of this policy. Any employee may be disciplined, up to and including termination, for engaging in behavior that is disrespectful or disruptive or otherwise prohibited by this policy, regardless of whether that behavior constitutes harassment prohibited by law.

Employees who feel they have witnessed or experienced behavior prohibited by this policy in connection with their employment with the company, or who have questions, concerns, or complaints of discrimination, including a complaint of harassment, should immediately report the circumstances or incident to any of the following: your store Manager (if applicable), the Human Resources Manager, or the General Manager.

Multiple avenues of complaint are provided so that the employee may complain to any one or more of the designated individuals. An employee is empowered, but not required, to complain to the person the employee feels is engaging in inappropriate behavior.

The company prohibits retaliation against any employee who honestly and in good faith opposes discrimination or harassment, makes a complaint of discrimination or harassment, participates, or cooperates in a discrimination or harassment investigation, or who has a close relationship or association with another employee who engages in any of those protected activities.

Employees who feel they have been retaliated against should immediately report the circumstances or incident to the General Manager.

Upon receipt of a complaint under this policy, the company will conduct an investigation, and appropriate action will be taken based on the circumstances. All employees are required, as a condition of employment, to cooperate with any investigation the company undertakes. Confidentiality will be maintained to the maximum extent possible under the circumstances.

II. Workweek and Pay Policies

A. Workweek

The Dara's workweek runs from 12:01am on Monday to 12:00 midnight on Sunday. Management will post the next week's store schedule on Wednesday.

Dara's Corporate Office is open between 8 a.m. and 5 p.m. Monday through Friday. Office employees are permitted to take a one-hour lunch break each day. Office employees are expected to be present and working when the office is open unless an employee has made alternate work arrangements with the Owner or General Manager. Exempt office employees are expected to maintain regular office hours Monday through Friday. Unless PTO time is prescheduled and pre-approved, exempt office employees must be present in the office Monday through Friday. Unapproved variances from the required schedule will be deducted from credited but unused PTO in applicable $\frac{1}{2}$ or full day increments and may result in discipline up to and including termination. Non-exempt office employees are paid for actual hours worked. In weeks where a non-exempt employee works less than 40 hours, the non-exempt employee may, but is not required to, work additional hours before the start of the next work week to reach a full 40 hours or use PTO hours (if available) to bring his/her pay to the full 40 hours. Office employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

Store Managers are required to maintain regular store hours for at least 5 days over a seven-day work week. Unless PTO time is pre-scheduled and pre-approved, store managers must be present in the store at least five (5) days per week. Unapproved variances from the required schedule will be deducted from credited but unused PTO applicable in $\frac{1}{2}$ or full day increments and may result in discipline up to and including termination.

B. Pay Periods

Dara's employees are paid bi-weekly for the total number of hours worked during the previous two weeks. Dara's encourages all employees to enroll in direct deposit. If you choose payment by direct deposit, your paystub will be emailed to you and your pay will be deposited to your bank account on the Thursday following the end of the pay period. If you would like to enroll in direct deposit, or need to make changes to an existing direct deposit, contact Human Resources.

If you choose to receive a paycheck instead of direct deposit, paychecks are distributed by 1:00pm Thursday for hours worked the previous two weeks.

C. Timesheets

Timesheets are your primary record for the hours you work each day. All employees of Dara's use a computer-generated timesheet.

For store employees, your Store Manager will instruct you on the proper method of clocking in and out for your shifts. You are required to review your timesheet for discrepancies and sign your timesheet when prompted to do so. The Store Manager must approve all timesheets before they can be processed for payment.

For office and warehouse employees, your Office Manager or Human Resources Manager will instruct you on the proper method of clocking in and out. You are required to review your timesheet for discrepancies and sign your timesheet when prompted to do so. Your supervisor must approve your timesheet before it can be processed for payment.

Employees are only allowed to clock in and out for their individual timesheet. Clocking in or out for someone else's timesheet may result in discipline, up to and including termination. Failure to accurately and truthfully record all time worked, whether the effect is to report more or less time than actually worked, is a violation of company policy and may result in discipline up to and including termination of employment.

Non-exempt employees are required to receive advance approval from their Store managers (for store employees) or their manager (for office/warehouse employees) before working in excess of 40 hours in any work week. Unless specific advance approval is given, employees are prohibited from taking work home or performing any services for the Company from remote locations. Employees who work overtime or who perform work off-premises without prior approval are subject to discipline, up to and including termination.

Non-exempt employees are specifically prohibited from performing any work for the Company "off the clock." No one has the power to allow or ask, directly or indirectly, any non-exempt employee to perform any work for the Company "off the clock." There may be times when operational needs require employees to be assigned work before or after the regularly scheduled shift, or during breaks. In all cases, all time worked MUST be reported on timesheets, and will be compensated. Any employee who is aware of any non-exempt employee being allowed or asked, directly or indirectly, to perform any work for the Company "off the clock" should immediately report the situation to the Human Resources Manager, the General Manager, or the Owner. The Company will assure that any unpaid wages due are paid, and there will be no retaliation against any employee for reporting any prohibited "off the clock" work, or request for prohibited "off the clock" work.

D. Overtime

Store employees may not work overtime without Store Manager approval. When needed, you may be asked to work more than 40 hours per week. All hours worked over 40 hours will be paid at 1-1/2 times your regular rate of pay.

Non-exempt office/warehouse employees may not work overtime hours without advance approval from his/her supervisor.

Employees who work overtime or who perform work off-premises without prior approval are subject to discipline, up to and including termination of employment.

PTO time does not count as hours worked for purposes of calculating employees' eligibility for overtime pay.

E. Rest and Meal Breaks

Non-exempt employees who work more than six hours in one shift will have a one-half hour unpaid meals break. As business needs permit, non-exempt employees may be allowed one

fifteen minute paid rest break for every four hours worked. Whether a meal or rest break, the scheduling of that break must be approved by your supervisor, and will depend on store traffic, tasks to be completed, etc. We cannot guarantee that breaks will always be available, or that those breaks will consistently be scheduled at particular times. No one is allowed to take a break when the store is busy or when the store is not ready for business (e.g., fountain area is dirty, register area is dirty, floor not mopped, etc.). Only one person is allowed to take a break at a time. Smoking must be confined to scheduled lunch and break times or before or after the work schedule.

Employees may not forego or postpone a rest break to extend the established lunch break or shorten the workday.

F. Holiday Pay

Employees working 4th of July, Thanksgiving Day, Christmas Day and New Years Day will receive pay at 1-1/2 times their regular hourly pay. Employees will receive \$1.00 more per hour for Memorial Day and Labor Day. Dara's is a 24-hour business, 365 days of the year, and we appreciate those employees that help us remain open during the holidays.

G. Funeral Pay

Employees will receive up to three days bereavement pay for immediate family only. (Mother, Mother-in-Law, Father, Father-in-Law, Brothers, Sisters, and Grandparents. (Bio, Step, Foster and Adopted) Funeral pay will be for three regular scheduled shifts if they fall during the three days allotted for travel time and the funeral. Time off without pay will be permitted for employee attendance at the funeral of a relative not considered immediate family under this policy. Employees must provide a card from the funeral attended.

III. Wage, Salary, and Promotion Policies

A. Salary Payments

Dara's employees are paid on either an hourly or a salary basis, dependent on employment classification (exempt or non-exempt). Store employees are non-exempt, hourly employees. Store managers are exempt, salaried employees.

B. Salaried Exempt Employees

Salaried exempt employees are paid a pre-determined salary for all hours worked in a workweek. Generally, the Company does not make deductions from the set salary. Unless compensation is provided through some other policy providing for paid time off, an exempt employee is not entitled to receive salary for a workweek in which s/he performs no work. Unsatisfactory quality or quantity of work will be addressed through regular performance management methods including the evaluation and discipline processes.

Certain deductions from an exempt employee's salary are permitted in certain circumstances, including, but not limited to, the following:

- Where required by law (such as mandatory tax withholding);

- Where authorized by the employee (such as deductions for health insurance premiums, 401(k) contributions, employee purchases, etc.);
- To recoup salary payments advanced but not earned by the employee;
- Where an exempt employee works less than a full workweek in the initial or final week of employment;
- Full-day absences caused by sickness or disability paid in accordance with the Company's other plans, policies, or practices providing pay for those absences;
- Full-day absences caused by sickness or disability, even if unpaid, if the employee is not yet eligible for pay or pay has been exhausted under the Company's other plans, policies or practices providing pay for sickness or disability;
- Hours taken as unpaid leave under the Family and Medical Leave Act (FMLA);
- Full-day absences for personal reasons other than sickness or disability;
- Disciplinary suspensions of one or more full days, or other deductions from pay in any amount, imposed as penalties for serious infractions of safety rules of major significance;
- Disciplinary suspensions of one or more full days for infractions of workplace conduct rules including, for example, violations of the Company's policies prohibiting harassment or workplace violence, prohibited use of drugs or alcohol, or violations of state and federal law.

Any exempt employee who believes his or her salary has been subjected to improper deductions should promptly report those concerns to the Human Resources Manager, the General Manager, or the Owner. Any improper deductions will be reimbursed, and there will be no retaliation against any employee who raises any good faith concern regarding deductions from salary.

C. Performance Evaluations & Rate Increases

All new hires receive a performance evaluation at the end of their first 60 days with the company. Thereafter, employees are evaluated every year on the anniversary of their date of hire evaluation. Within the company's sole discretion, employees may or may not receive a pay raise dependent upon their annual evaluation and the profitability of the company.

Completion of the initial 60-day period does not alter an employee's "at-will" employment status. Employees who complete this initial evaluation period are not guaranteed employment for any specific length of time; neither are employees guaranteed employment for the duration of the initial evaluation period.

D. Promotions

Opportunities exist within Dara's LLC for promotion. Dara's strongly believes in promoting from within the company. Selection is based on tenure, ability, education, experience, and qualifications necessary to perform the job. With any promotion, the employee's performance

will be evaluated at the end of the first 60 days in the new position and then annually on the anniversary of the 60-day evaluation. Completion of any such evaluation period does not alter an employee's "at-will" employment status. Employees who complete the evaluation period are not guaranteed employment in the promoted position, or any other position, for any specific length of time; neither are employees guaranteed employment in the prompted position or any other position for the duration of the evaluation period.

IV. Attendance, Illness, Paid Time off and Leave Policies

A. Attendance

Your employment is vital to the success of the company. To ensure the success of our mission, Dara's requires employees to be at their designated work location, ready to begin work at their scheduled start time. Employees who are frequently late, absent or leave early cause hardship on fellow employees and the company, and Dara's will not tolerate such behavior.

Employees who run late should notify their supervisor immediately. Store Employees who are unable to work a scheduled shift must notify the Store Manager immediately, find a replacement for the scheduled shift and notify the Store Manager of the replacement. If a replacement is unavailable, it is your responsibility to work the shift. Employees will be subject to discipline, up to and including immediate termination of employment, for failing to report to work for a scheduled shift or find a replacement. Consistent absence may result in the reduction of regularly scheduled hours, and/or termination.

Employees will not be subject to disciplinary action for unforeseeable leave taken for military service, absences relating to reasonable accommodation for disability or religious observances, or FMLA leaves. When such an absence is foreseeable, however, employees are required to meet the procedures outlined above absent extenuating circumstances; failure to do so may result in discipline up to and including termination.

B. Illness

All illness that will prevent you from working your scheduled hours is to be reported to management immediately. If management is unable to be reached, follow the chain of command. Failure to communicate with Dara's about an illness-related absence could result in termination. If an employee misses two or more consecutive days because of illness, the employee will not be able to return to work without written documentation from the employee's health care provider that the employee is able to resume normal work duties. If an employee wishes to use PTO hours for illness related absences, the employee must provide written documentation from the employee's health care provider prior to the end date of the pay period including the missed days.

C. Paid Time Off - PTO

Following one full year of employment with the company, Dara's non-exempt employees who work an average of 35 hours per week* are eligible for Paid Time Off (PTO) to be used for rest and recreation and for personal and emergency purposes. Employees must use PTO during the year immediately following eligibility for the PTO. Employees are not allowed to carry over PTO from one year to the next. PTO hours earned will be based on average hours worked per

week. Eligible employees receive PTO based on length of service and average weekly hours as follows:

1 Year from eligibility date.....	1 Week Avg Hours
2 Years from eligibility date.....	2 Weeks Avg Hours
5 Years from eligibility date.....	3 Weeks Avg Hours
10 Years from eligibility date.....	4 Weeks Avg Hours

**Eligibility will be determined based on the annual average hours worked. If a previously eligible employee's annual average drops below 35 hours, s/he is ineligible for paid time off for that year. If such an employee works sufficient hours in a future year to become eligible again, the employee's length of service, eligibility date, and thus the PTO allotment (i.e. the number of weeks allotted based on length of service) will be calculated based on the new eligibility date.*

Following one full year of employment with the company, Dara's exempt employees are eligible for PTO to be used for rest and recreation and for personal and emergency purposes. Employees must use PTO during the year immediately following eligibility for the PTO. Employees are not allowed to carry over PTO from one year to the next. PTO pay will be paid in ½ day and full day increments. Eligible employees receive PTO based on length of service as follows:

1 Year from eligibility date.....	5 days
2 Years from eligibility date.....	10 days
5 Years from eligibility date.....	15 days
10 Years from eligibility date.....	20 days

PTO may be requested on the pay period following your eligibility date. For store employees, PTO requests should be made to the store manager, who will make every attempt to schedule your request within the reasonable needs of the business. PTO pay will be received on the next regular pay day following your time off.

Employees who are eligible for PTO are encouraged to use all of that PTO each year. Generally, unused PTO time is not carried over or converted to cash. Employees who quit without notice or are terminated by the company will not receive compensation for PTO acquired but unused during their employment. **With management approval, eligible employees may cash out a maximum of 1/2 of their unused PTO at 80% of value at the end of the year in which it is to be used.**

D. Student Leave of Absence

Dara's will grant an unpaid leave of absence of up to a maximum of ninety (90) days to any student who is a non-resident of Manhattan. Dara's understands that students go "home" when school is not in session or when the dorms are closed. Dara's cannot guarantee that it will have a position or the same shifts or hours for those who take leave under this policy. Employees who are on leave for more than 90 days will need to re-apply for work and will be considered new hires if they choose to rejoin Dara's at a later date.

E. Time Off for Victims of Domestic Violence and/or Sexual Assault

The company provides excused leave from work for an employee who is the victim of domestic violence and/or of sexual assault for any of the following reasons:

1. To obtain, or attempt to obtain, any relief including a restraining order or other injunctive relief to ensure the employee's health or the health of the employee's child or children;
2. To seek medical attention for any injuries caused by domestic violence or sexual assault;
3. To obtain services from a domestic violence shelter, domestic violence program or rape or sexual assault crisis center; and/or
4. To make court appearances in the aftermath of domestic violence and/or sexual assault.

Length of the Leave and Pay During Leave: The maximum length of leave under this policy for any qualifying reason(s) will be the amount of the employee's unused PTO, or eight days per calendar year, whichever is greater. Once the employee's PTO is exhausted, the leave will be unpaid (unless it is covered under the terms of the short-term disability plan). If an employee is eligible for FMLA leave, and if the reason for the particular absence also qualifies for FMLA coverage, the leave will also be drawn down from the employee's annual FMLA allotment.

Required Notice and Certification of Need for Leave: An employee who needs to take time off work for any of the above purposes is required to give the company reasonable advance notice unless such notice is not feasible. An employee who has provided advance notice will be allowed up to 48 hours after returning from the requested time off to provide supporting documentation, which may include a police report, a court order or other documentation from an appropriate medical professional, domestic violence advocate or counselor.

If the absence is unscheduled, the employee must provide the support documentation within 48 hours after the beginning of the unscheduled leave.

Notice of the need to be absent for a reason qualifying under this policy, and all required support documentation, should be provided to the Human Resources Manager.

Confidentiality: The Company will keep confidential, to the extent allowed by law, both the fact that an employee requests or uses leave under this policy, and all supporting documentation regarding the leave.

F. Family Medical Leave Act and Military Family Leave Act

As further defined below, the company provides "eligible" employees with a job-protected leave of absence from active employment for certain family or medical reasons, and/or certain military family reasons.

Eligible Employees: Employees eligible for family and medical leave and/or military family leave (hereinafter "FMLA") are those who: (a) have been employed by the company for at least

twelve (12) months, although the twelve (12) months need not be consecutive¹; and (b) have worked at least 1,250 hours during the twelve (12) month period preceding the date the leave commences²; and 3) who work in, or report to, a facility where there are at least 50 employees within a 75-mile radius.

- A. An eligible employee may take up to a maximum of twelve (12) weeks of FMLA leave in a rolling 12-month period looking backward from the date of the leave relating to any one or a combination of the following reasons:
- For the birth of the employee’s child and to care for the employee’s child after birth, or for the placement of a child with the employee for adoption or foster care and to care for the child thereafter.
 - Leave for the birth or placement of a child for adoption or foster care must be taken within twelve (12) months from the date of the birth or placement, and leave taken for these reasons must be taken in one continuous period (i.e., not on an intermittent basis).
 - Where two eligible spouses both work for the company, the company may require them to use a combined total of twelve (12) weeks between them to take family leave for the birth of their child; for placement of a child with the employee spouses for adoption or foster care; or to care for their child after birth, adoption, or foster care placement. The proportion by which the spouses share the combined twelve (12) week period would be determined by the spouses.
 - To care for the employee’s spouse, child, or parent, who has a serious health condition.
 - Where two eligible spouses both work for the company, the company may require them to use a combined total of twelve (12) weeks between them to care for the employee’s own parent with a serious health condition.
 - Because of the employee’s own serious health condition, including but not limited to the employee’s own pregnancy, or a qualifying work-related illness or injury, which makes the employee unable to perform his/her job.
 - For any “qualifying exigency” arising out of the fact that a covered military member (i.e. the employee’s spouse, or a son or daughter of any age, or parent of the employee who is either: i) a member of a regular component of the Armed Forces deployed with the armed forces to a foreign country, or ii) a member of a reserve component of the Armed Forces deployed to a foreign country under a call or order to active duty in support of a contingency operation.

¹ Generally, employment period(s) that occurred prior to any continuous break in service of 7 years or more are not counted toward the 12-month eligibility requirement, except that time worked prior to a break in service occasioned by the employee’s National Guard or Reserve military service, as well as the military service itself, will be counted.

² An otherwise eligible employee fulfilling National Guard or Reserve military obligation will be credited for the hours s/he would have worked had s/he not been performing such military service.

- The company uses the definition of “qualifying exigency” set forth in the applicable regulations, but in summary, a “qualifying exigency” must fall into at least one of the following 8 categories:
 - (1) “Short Notice Deployment.” An eligible employee will receive up to seven (7) days’ leave for a short notice deployment (i.e. where the covered military member receives notice of an impending call or order to covered active duty with seven or fewer calendar days’ notice before the deployment date);
 - (2) To attend certain military events and related activities;
 - (3) To address childcare and school activities related to the covered active duty or call or order to covered active duty status;
 - (4) To make financial and legal arrangements related to the covered active duty or call or order to covered active duty status;
 - (5) To attend counseling for the covered military member or a qualifying family member, which counseling must be provided by someone OTHER THAN a health care provider for the employee himself or herself, and further provided the need for counseling relates to the covered active duty or call or order to covered active duty status;
 - (6) To be absent for up to fifteen (15) calendar days per instance, beginning on the date the military member commences each instance of Rest and Recuperation leave, to spend time with a covered military member for short-term, temporary Rest and Recuperation leave during a period of deployment;
 - (7) To attend certain post-deployment activities (generally within 90 days of the termination of the covered military member’s covered active duty status); or to address issues that arise from a covered military member’s death while on covered active duty status;
 - (8) To provide care in one or more of the categories specifically set forth in the applicable regulations for the parent of a covered military member on covered active duty or call or order to covered active duty status, where the covered military member’s parent is “incapable of self care.” As with all instances of qualifying exigency leave, the military member must be the spouse, son or daughter (of any age) or parent of the employee requesting qualifying exigency leave.
 - (9) To address other events which arise out of the military member’s covered active duty or call or order to covered active duty status, provided that the company and the employee mutually agree i) the event(s) qualify as exigencies; and ii) about which the company and the employee agree on the leave’s timing and duration.

- B. “Military Caregiver Leave.” An eligible employee may take up to a maximum of twenty-six (26) weeks of “Military Caregiver Leave” in a single 12-month period starting on the first day the eligible employee takes such Military Caregiver leave and ending twelve (12) months later, to care for a “covered service member,” defined as the employee's spouse, or a son or daughter (of any age) or parent or next of kin of the employee, who is a member of the Armed Forces (including the National Guard or Reserves), and who is undergoing medical treatment, recuperation, or therapy, or is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness that was incurred or aggravated in the line of duty on active duty in the Armed Forces.
- As of March 8, 2013, a “covered service member” for purposes of Military Caregiver Leave, also includes a veteran who is undergoing medical treatment, recuperation, or therapy, for a qualifying (as determined by the Secretary of Labor) injury or illness that was incurred or aggravated by service in the line of duty on active duty in the Armed Forces, and who was a member of the Armed Forces (including the National Guard or Reserves) at any time during a five-year look back period starting on the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009 and March 8, 2013 is not counted when performing the five-year “look back” to determine “covered veteran” status.
 - Where two eligible spouses both work for the company, the company may require them to use a combined total of twenty-six (26) weeks between them to take Military Caregiver Leave. The proportion by which the spouses share the combined twenty-six (26) week period would be determined by the spouses.

Length or Amount of Leave:

- An eligible employee under Section A above may receive a maximum total of twelve (12) weeks of FMLA leave within a rolling twelve (12) month period (i.e., the immediately preceding 365-day period looking backward from the date of commencement of the leave). Where it is apparent to the company that a leave qualifies for FMLA leave, it will be counted as FMLA and will be deducted from an eligible employee’s 12-week leave period. In the case of a mutually agreed “qualifying exigency” that is not specifically provided for under categories 1-7 of the qualifying exigency section above, all such mutually-agreed leave will be counted as FMLA and will be deducted from an eligible employee’s 12-week leave period.
- An eligible employee under Section B above may receive a maximum total of twenty-six (26) weeks of Military Caregiver Leave under the FMLA in a single twelve (12) month period starting on the first day the eligible employee takes such Military Caregiver leave and ending twelve (12) months later. Where it is apparent to the company that a leave qualifies as Military Caregiver Leave, it will be counted as FMLA and will be deducted from an eligible employee’s 26-week Military Caregiver Leave period.
- Any absence or leave of absence that qualifies for leave under the FMLA that also qualifies for leave (with or without pay) under other company policies (e.g., short-term disability leave, workers’ compensation leave, PTO time), will be counted as FMLA

leave, and will be deducted from an employee's leave allotment under this policy and the FMLA.

- An employee who fails to return to work immediately following expiration of the authorized leave period, or who remains on leave for more than the applicable FMLA allotment, may be subject to termination under the company's regular attendance and/or leave of absence policies.

Employee's Notification to the Company:

- Any employee needing FMLA leave must follow the company's (and/or the employee's store's) usual and customary call-in procedures, absent unusual circumstances that prevent the employee from doing so. Where no unusual circumstances justify such a failure, FMLA protection for the absence may be delayed or denied.
- Merely calling in "sick" without providing more information is not sufficient to trigger FMLA coverage for that absence, and such an absence may be subject to the company's regular attendance and absenteeism policies and guidelines.
- Employees are obligated to respond to the company's questions designed to determine whether a particular absence is potentially FMLA-qualifying. Failure to respond to the company's reasonable inquiries regarding a leave request may result in denial of that request if the Company cannot determine whether the leave is FMLA-qualifying.
- Where the need for leave is foreseeable at least 30 days in advance, an employee who expects or anticipates taking leave provided under this policy must notify the company of the date of the commencement and the expected duration of the leave at least thirty (30) days in advance of the leave. If the need for leave is foreseeable but with less than 30 days' notice to the employee, the employee must notify the company of the need for the leave as soon as is practicable. Upon written request by the company, the employee shall explain why the 30 days' notice is/was not practicable. In cases where the need for leave is foreseeable, an employee's failure to provide such advance notice may result in denial or postponement of the leave.
- An employee requesting foreseeable leave under this policy should submit a completed "Request for a Leave of Absence" form to the Human Resources Manager. Forms are available through Human Resources.
- When leave is not foreseeable, the employee is still required to meet the regular call-in procedures, absent unusual circumstances that prevent the employee from doing so. In the event of such unusual circumstances, the employee is required to provide notice of the absence as soon as possible under those unusual circumstances. Failure to give notice of the need for leave as soon as possible may result in a denial or postponement of the leave.
- When an employee seeks leave for a recurrence of an FMLA-qualifying reason for which the company has previously approved FMLA-protected leave, the employee must specifically reference the qualifying reason for the leave, or the need for "FMLA" leave, by name. If the employee has been previously certified for more than one FMLA-

qualifying reason, the employee must inform Human Resources for which qualifying reason the particular leave is needed. Failure to provide such necessary information and/or to respond to the company's inquiries to gather such necessary information may result in denial of FMLA protection if the company is unable to determine the FMLA's applicability to the particular absence.

- Employees who anticipate the possibility of taking FMLA leave, or who have any questions about the application of this policy to their particular situation, are encouraged to contact Human Resources.

Obligation of Honesty and Good Faith:

- As with all dealings between employees and the company, employees are expected to provide truthful information to the company at all times. An employee who intentionally misrepresents facts or otherwise fraudulently obtains or continues leave under this policy will be subject to disciplinary action, up to termination.

Certification:

- If an employee takes a leave of absence because of the serious health condition of the employee or the employee's covered family member, or for Military Caregiver Leave, or for a qualified exigency relating to a covered military member's covered active duty or call or order to covered active-duty status, the company requires the employee to submit to Human Resources a written certification demonstrating the need for the leave. The certification required will depend on the reason for the requested leave. The employee must provide this certification within fifteen (15) calendar days of receipt of the company's request. Failure to provide such certification timely may result in a denial or delay of leave and may subject the employee to discipline and termination for excessive absenteeism under the company's attendance policies.
- If an employee takes a leave of absence because of the serious health condition of the employee or the employee's covered family member (other than Military Caregiver Leave), the company reserves the right to require a second (and possibly a third) opinion from another health care provider (at the company's expense) certifying the serious health condition of the employee or the employee's covered family member.
- For leaves taken because of the employee's own serious health condition, or the serious health condition of the employee's child, spouse, or parent, the company reserves the right to require periodic re-certification under appropriate circumstances.
- If an employee seeks leave because of a qualifying exigency that involves meeting with a third party, Human Resources may contact the individual or entity with whom the employee is meeting for purposes of verifying a meeting or appointment schedule and the nature of the meeting between the employee and the specified individual or entity. Human Resources may contact an appropriate unit of the Department of Defense to request verification that a covered military member is on covered active duty or call or order to covered active-duty status.

- During the employee's leave, the company may also periodically inquire of the employee, or the employee may be required to periodically report to the company, as to the employee's intent to return to work and the expected return to work date.
- **Return to Work Certification.** As a condition of restoring an employee whose leave was occasioned by the employee's own serious health condition, the company requires all employees who take such leave to obtain and present certification to Human Resources from the employee's health care provider that the employee is able to resume work. The employee has the same obligations to participate and cooperate (including providing a complete and sufficient certification or providing sufficient authorization to the health care provider to provide the information directly to the company) in the fitness-for-duty certification process as in the initial certification or recertification processes.
 - The certification from the employee's health care provider must certify that the employee is able to resume work. The company requires that the certification specifically addresses the employee's ability to perform the essential functions of the employee's job. The company will provide an employee with a job description or other list of the essential functions of the employee's job to be used for this purpose. The employee's health care provider must certify that the employee can perform the identified essential functions of his or her job. The cost of the certification (and any time or travel costs spent securing the certification) are the employee's responsibilities, to the extent not covered by the health care plan. The company may delay the employee's restoration to employment until an employee submits an authentic and sufficient fitness-for-duty certification.
- It is the employee's responsibility either to furnish a complete and sufficient certification or to furnish the health care provider providing the certification with any necessary authorization from the employee or the employee's family member for the health care provider to release a complete and sufficient certification to the company to support the employee's FMLA request. This requirement applies in any case where the company requests a certification, whether it is the initial certification, a recertification, a second or third opinion, or a fitness for duty certificate, including any clarifications necessary to determine if such certifications are authentic and sufficient.

Insurance Premiums:

- During the employee's approved leave under this policy, the company will continue to provide group health care insurance coverage for the employee. The employee will remain personally responsible for paying the employee's portion of the insurance premium. An employee on FMLA leave must continue to pay the same portion of health plan premiums as if the employee were actively working and not on leave. Such payments must be submitted directly to Human Resources by the first day of the month of coverage. If the employee's premium payment is more than 30 days late, the employee's insurance coverage may be suspended.

Paid Benefits During Leave:

- During FMLA leave provided under this policy an employee will be required to use paid benefits, as described below. Consequently, employees will receive their earned paid

leave, and the leave will also be considered protected FMLA leave and counted against the employee's FMLA leave allotment as described below. Any remaining leave under this policy will be unpaid. In no event, however, will an employee receive more than the FMLA allotment available (generally twelve (12) weeks of FMLA leave in a rolling 12-month period, or in the case of Military Caregiver Leave, 26 weeks in a single 12-month period looking forward, starting on the first day the eligible employee takes such Military Caregiver leave).

- Whether intermittent or continuous leave, qualifying absences attributable to the employee's own **non-work-related** serious health condition will be deducted first from any earned, unused PTO (if any), before the leave becomes unpaid.
 - If the condition qualifies for payment under the AFLAC STD policy, any qualification period that must be exhausted before the employee qualifies for STD will be deducted first from the employee's earned PTO (if any). The employee will receive any STD benefits for which the employee qualifies. If STD is not available, or is exhausted, the leave will then be deducted from earned, unused PTO before the leave becomes unpaid.
 - Where the Employee opts to do so, the employee may use a portion of accrued unused PTO (if any) to make up the difference between STD benefits and the employee's regular base pay at the percentage necessary to make the employee "whole." In no event may an employee receive more than his/her regular base pay through this supplemental use of PTO. If no PTO is available or is exhausted, the employee will receive only the STD benefits (if any) for which the employee qualifies under the STD Plan.
 - If the employee opts to supplement STD benefits with other available paid benefits, s/he must notify the Human Resources Manager in writing (including e-mail) of that election once the leave has approved and designated as FMLA-covered.
 - In no event may an employee receive more than his/her regular base pay through this supplemental use of PTO. If no PTO is available or is exhausted, the employee will receive only the STD benefits (if any) for which the employee qualifies under the STD Plan.
- In the case of the birth or placement of a child by adoption or foster care, when the employee is not giving birth (i.e. time used for "baby bonding"), the employee will be required to exhaust all earned PTO before the remainder of the leave becomes unpaid. Where an eligible employee is giving birth, the portion of the leave attributable to the pregnancy and/or birth, as distinguished from baby bonding time, is treated as the employee's own serious health condition, and pay is administered as described in the sections regarding the employee's own serious health condition above. Additional baby bonding time off (if any) taken by the birthing mother will then be treated as outlined in this paragraph.

- Once paid benefits are exhausted, unless the absence relates to the employee's own work-related serious health condition, and therefore may qualify for workers' compensation benefits, the leave will be unpaid.
- In the case of an employee's own serious health condition that is job-related, any qualification period that must be exhausted before the employee qualifies for worker's compensation will be deducted first from the employee's earned and unused PTO (if any). The employee will next receive any workers' compensation benefits for which the employee qualifies.
 - Where the employee opts to do so, the employee may use a portion of accrued unused PTO (if any) to make up the difference between worker's compensation benefits and the employee's regular base pay at the percentage necessary to make the employee "whole."
 - If the employee opts to supplement worker's compensation benefits with other available paid benefits, s/he must notify the Human Resources Manager in writing (including e-mail) of that election once the leave has approved and designated as FMLA-covered.
 - In no event may an employee receive more than his/her regular base pay through this supplemental use of PTO. If no PTO is available or is exhausted, the employee will receive only the worker's compensation benefits (if any) for which the employee qualifies under applicable worker's compensation statutes.
- If the leave continues beyond that which is compensated by workers' compensation benefits, deduction from any earned and unused PTO (if any), will resume until all earned and unused PTO is exhausted. If worker's compensation and PTO are exhausted before the FMLA leave is exhausted, the leave becomes unpaid. If the absence continues beyond the twelve (12) week FMLA period, the employee may continue to receive workers' compensation benefits, but the FMLA leave will be exhausted as of twelve (12) weeks.
- Whether intermittent or continuous leave, qualifying absences attributable to the serious health condition of the employee's covered spouse, child, or parent, or for the qualifying exigency arising out of the covered military member's being called to covered active duty or covered active duty status, or for Military Caregiver Leave, will be deducted from any earned and unused PTO (if any). After earned unused PTO is exhausted, the leave will be unpaid.
- All absences that qualify as FMLA leave will count against an employee's twelve- (12) or twenty-six- (26) week allotment (whichever is applicable), whether or not the employee is concurrently eligible for and receives pay through another source (such as STD, workers' compensation, or PTO) during part or all of his/her FMLA-qualifying absence.

- During the leave, an employee will accrue additional PTO during some paid portions of the leave, except where pay is received through worker's compensation; the employee will not accrue additional PTO during any unpaid portion of the leave.

Intermittent or Reduced-Schedule Leave:

- Leave taken because of the employee's or a covered family member's serious health condition, or for Military Caregiver Leave, may be taken on an intermittent or reduced-schedule basis when medically necessary. Where the intermittent leave is needed for planned medical treatment, the employee must make a reasonable effort to schedule the treatment so as not to disrupt unduly the company's operations. If an employee seeks leave on an intermittent or reduced-schedule basis, the employee will be required to submit a medical certification, as discussed above, which includes specific certification from the health care provider that the intermittent or reduced-schedule leave is medically necessary, and the likely duration and frequency of the episodes of incapacity necessitating the intermittent leave.
- Where the intermittent leave is needed for planned medical treatment, the company may require an employee taking intermittent or reduced-schedule leave to transfer temporarily to an alternative available position for which the employee is qualified, with the same pay and benefits, or may temporarily modify the employee's current position, to better accommodate the employee's intermittent periods of leave.
- Leave taken because of a "qualifying exigency" arising out of the fact that the employee's spouse, or a son or daughter (of any age) or parent is on covered active duty or has been notified of an impending call or order to covered active duty in the Armed Forces may be taken intermittently or on a reduced leave schedule, so long as the employee has provided appropriate notice and certification, as discussed above.

Compliance with Instructions and Restrictions:

- While on leave for the employee's own serious health condition, the employee is required to comply with any instructions given by the employee's health care professional and/or any restrictions placed on the employee's activities, and not to perform activities inconsistent with those instructions or restrictions. Engaging in activities inconsistent with any restrictions or instructions from the health care provider may result in denial of the leave and/or discipline up to and including termination of employment.
- While on leave, the employee is prohibited from performing services for the company, including but not limited to, checking and/or responding to voice mail and e-mail.

Job Restoration:

- Upon return from FMLA leave within the time allotted and upon providing any release to return to work required in accordance with this policy (see the **Certification** section of this policy, above), the employee generally will be returned to the same or an equivalent position with no loss of pay or benefits that accrued prior to the leave of absence. The company may, however, deny job restoration to an employee if s/he can no longer perform the job, with or without reasonable accommodation; or if his/her job or position

has been eliminated for reason(s) other than the leave; or if the employee otherwise would have been terminated for reason(s) other than the leave. Employees on approved leave status other than military leave (including FMLA leave) are subject to reduction in force the same as all other employees, based on the same (non-leave-related) criteria applied to all other employees.

- Additionally, under certain circumstances, certain “key employees” (defined as salaried, FMLA-eligible employees who are among the highest paid ten (10) percent of the company’s employees) may not be eligible to be restored to the same or an equivalent job at the conclusion of their leave. If applicable, the company will notify such employees of their “key employee” status and the conditions under which job restoration may be denied.
- To allow the company to make adequate scheduling arrangements and have work available for the employee upon returning to work, the employee must give at least 48 hours advance notice of his/her intent to return to work. Before being returned to work, an employee who is on a leave of absence as a result of his or her own serious health condition must also submit to Human Resources a health care provider’s written certification that the employee is able to return to work, including specific certification that the employee is able to perform the essential functions of the job (see the **Certification** section of this policy, above). Failure to provide such certification may result in the delay or postponement of the employee’s return to work and/or the assessment of unauthorized absence(s).
- An employee who does not return to work at the end of an authorized leave period or after exhausting his/her allotment under this policy and the FMLA may be subject to termination.

Non-Discrimination: The Company does not discriminate against employees or prospective employees who use FMLA leave or who exercise their rights under the FMLA. Additionally, the company does not consider the taking of FMLA leave to be a negative factor when making any employment decision, including but not limited to hiring, evaluation, promotion, demotion, transfer, selection for position elimination or Reduction in Force, or disciplinary action.

G. Jury Duty

Mandatory jury duty is considered an authorized absence from work. Non-exempt employees, who are called to serve on jury duty, will not be paid for absences related to the jury duty unless the employee chooses to use PTO for the absence. When notified, please bring this to the Store Manager's or your direct supervisor's attention immediately upon receipt so any necessary scheduling adjustments can be made. When released from duty, you are expected to report for any remaining, regularly scheduled hours that day.

H. Non-FMLA Medical Leave Policy

An employee who is not FMLA-eligible and who has a medical condition (physical or mental) that requires leave beyond that provided under the Company’s sick leave policy may request a leave of absence for his or her own medical condition that requires absence from work. Medical

certification verifying the medical necessity for the leave, and identifying the expected duration of the leave, must be submitted to support the leave request. Approval of a leave request under this policy, and the length of any such leave, will be analyzed based on the Company's business needs. The Company reserves the right to seek an independent medical opinion of the medical need for the leave, and the duration of any such leave, under appropriate circumstances.

An employee who requests and is approved for a leave of absence under this policy must use any accrued and unused PTO or short-term disability benefits (as applicable) to cover the leave; if such benefits are unavailable, the leave will be unpaid.

Within the reasonable time approved for the leave of absence, and upon providing the Company with reasonable notice of the employee's intent to return to work and a release to return to work, the employee may be reinstated to his/her original job, or to a position of similar pay and status without loss of seniority or other benefits. Employees who cannot, or do not, return to work following the reasonable leave of absence allowed by the Company are subject to termination of employment.

I. Non-FMLA Maternity Leave

A pregnant employee who is not qualified for FMLA leave may request a leave of absence for childbirth and/or recovery there from. The company will provide a leave of absence for a reasonable period of time following childbirth. Approval of a leave request under this policy, and the length of any such leave, will be analyzed based on the Company's business needs. An employee who requests and is approved for a leave of absence under this policy shall use any accrued and unused PTO or short term disability benefits (if applicable) to cover the leave; if such benefits are unavailable, the leave will be unpaid.

Following childbirth and within the reasonable time approved for the leave of absence, and upon providing the company with reasonable notice of the employee's intent to return to work, the employee may be reinstated to her original job or to a position of similar pay and status without loss of seniority or other benefits.

J. Military Leave of Absence

A military leave of absence will be granted when an employee serves in the uniformed services of the United States. This includes active duty, active duty for training, inactive duty for training, National Guard duty, reserve duty, and time taken off for an examination to determine fitness to do any of the above.

When possible, a request for military leave should be made to the Human Resources Manager prior to the beginning of the leave. The employee should also discuss the expected length of the leave and the anticipated return date with the Human Resources Manager, and the Store Manager, if applicable.

The employee may elect to continue his or her health insurance coverage. Please see the Human Resources Manager for information regarding health insurance and other benefits.

An employee who takes military leave will be permitted (but not required) to use his/her accrued and unused PTO for military duty obligations upon written request. Otherwise, the leave is unpaid.

An employee returning from military leave who meets the requirements will be reinstated in accordance with all applicable laws.

V. Special Benefits

A. Employee Charges

Dara's employees will be permitted to charge consumable items during their shift. All purchases must be rung in before consuming any item. These purchases shall be totaled at the end of the two-week pay period and are deducted from that paycheck.

Employee charge accounts are only to be used while on duty, and only for items consumed during their shift. Employees may not charge for items purchased at end of a shift or on days off. Items taken out of the store must be paid for by the employee and do not qualify for employee charge accounts. Employees may not charge fuel, beer, lottery, magazines, or any other items not consumable while on duty. The charging of cigarettes & chew is limited to one pack/can per day. Friends and family are not permitted to charge items on an employee's charge account. Employee charge receipts must be printed, signed and turned in with shift paperwork.

B. Employee Purchases

Dara's employees will receive a 20% discount on Dara's Kitchen food service and Fountain Drinks only. This discount is good any time and at any store, for the employee's meal and fountain drink only. Family and Friends of Dara's employees are not eligible for this discount. Store Managers will educate employees on the items in their store that qualify for this discount. This discount is only good on full price items, as sale items are already discounted. Please have your nametag/dara's employee hub app available at time of purchase.

When ringing up items with an employee discount, the discount needs to be applied to each qualified item individually, not the entire transaction. For all purchases with an employee discount applied, the receipt must be printed, signed by employee and turned in with shift paperwork.

Additionally, all Dara's employees will receive a 20% discount at Moe's Original BBQ – St George location. Please have your nametag available at time of purchase. This discount is also good for employees' meals only. Friends and family of Dara's employees are not eligible for this discount.

Dara's Kitchen foodservice items that are pulled from sales due to time-outs must be re-used or donated to Flint Hills Breadbasket. Items pulled from sales will not be discounted or given-away to any employee or customer without prior approval from the Owners of Dara's. All donated items must be accounted for by scanning out the items as Donations.

C. Employee Bonuses

Dara's employees are eligible for the following bonuses:

- Holiday Bonus - pay based on position and length of employment
- Referral Bonus - \$60.00 for each referred employee payable in two payments: \$20.00 after 2 months of employment, \$40.00 after 6 months of employment.

D. Health, IRA, and Pre-Paid Legal Service Benefits

A brief summary of the various benefit offerings is provided in this Handbook. Complete copies of all Plan Document(s) are available from Human Resources. In the event that any discrepancy occurs between the Plan Documents and the summaries outlined in this Handbook, the actual provisions of the Plan shall govern. This brief summary describes the Company's current benefit offerings; Dara's reserves the right to modify and/or discontinue the benefits it provides, premium contributions and matches it makes (if any), eligibility rules and any other provision of the company-provided benefits plans, at any time for any reason.

- **Health Insurance**

Employees averaging 30 hours a week are eligible for health insurance after they have completed 60 days of employment. Employees must notify Human Resources before the 30th day of employment if they wish to enroll for health coverage under the Dara's group plan. Dara's will pay 1/2 of a single employee premium. The group plan covers health and dental.

- **Supplemental**

All employees are eligible to participate in a Cafeteria Plan. Employees designate contributions to their individual cafeteria plan; some of the contributions may be taken out as pre-tax dollars that employees may use for qualified health care expenses not covered by the group insurance plan. See the Plan document for a list of qualified expenses.

- **401K**

Eligible employees may participate in the Dara's LLC 401(k) plan after completing any applicable waiting period as defined in the plan. The company will notify you if you are eligible to participate in the 401(k) plan. Contact Human Resources to understand your eligibility requirements.

E. Fitness Benefit

Dara's offers employees a reimbursement of \$70.00 every six months for employee fitness membership at Wildcat Fitness Center.

VI. General Company Policies

A. Personal Appearance

Your personal appearance reflects on the reputation, integrity, and public image of Dara's. All employees are required to report to work neatly groomed and dressed. You are expected to maintain personal hygiene habits that are generally accepted in the community, including clean

clothing, good grooming and personal hygiene, and appropriate attire for the workplace and the work being performed. This may include wearing uniforms or protective safety clothing and equipment, depending on the job. Use common sense and good judgement in determining what to wear to work.

Fragrant products, including but not limited to perfumes, colognes and scented body lotions or hair products should be used in moderation out of concern for others with sensitivities or allergies.

Failure to comply with the personal appearance standards may result in being sent home to groom or change clothes. Frequent violations may result in disciplinary action, up to and including termination of employment. Employees with any questions or difficulty in meeting these standards are encouraged to discuss these matters with their store manager.

B. Employee Uniform

All store employees shall receive two company-issued shirts free of charge at the time of training. All employees may purchase additional shirts for a fee and may keep any shirts purchased. Shirts may be traded every 4-6 months to replace worn out or damaged shirts. Employees who leave or are terminated before 90 days of employment must return all free shirts within 2 days, or purchase any shirts they wish to keep, with the cost to be deducted from final paycheck.

- Store clerks can wear either a company-issued shirt or Dara's apron with a clean shirt underneath.
- All employees must wear a nametag while on duty.
- All shirts must have sleeves that completely cover the armpit area and stomach. No sleeveless shirts, tank tops or crop tops. Shirts must not be see-through or mesh.
- Employees should wear jeans, slacks or shorts that fit properly, and must be clean and free of stains, tears and holes. Overly baggy or extremely long pants are prohibited for safety reasons.
- Shorts must be of moderate length (use the rule that shorts must be the length of the middle finger when arm is fully extended downward).
- For safety reasons, employees must always wear closed-toed shoes. No open-toes sandals or flip-flops.
- Store clerks may not wear hats. Food service employees must wear a hair net or company given Dara's a hat at all times while working; hat must be facing forward. Long hair must be tied back.
- Food service employees are required to wear gloves at all times while handling food and must wash hands each time before putting on gloves.

- SMILE! A smile greets a customer and lets them know that we are there to serve them. A smile is just as important as any other part of your uniform. Always try to make eye contact and smile when a customer enters the store.

A clean and neat uniform helps Dara's make a good impression on customers and should give you more confidence when serving them. Please help us to maintain our good impression in the Manhattan community.

Employees who violate the uniform policy will be subject to disciplinary action, up to and including termination of employment.

C. Store/Office Demeanor

Dara's promotes a pleasant working environment. Employees are asked to be courteous and sensitive to their fellow co-workers and customers, whether the employee is in a store or the corporate office. At all times, employees should refrain from unprofessional or offensive behavior. We appreciate your help in maintaining a friendly environment for all employees and customers.

D. Customer Service

Dara's primary concern is providing customer convenience. To this end, all employees should remember the 10 PRIDE principles stated at the beginning of the handbook. Each employee should provide our customers with prompt and courteous service, from greeting the customer when they enter the store; to the time the customer leaves the Dara's location. Dara's reputation was built on customer service, and we appreciate your help in keeping with that tradition.

Incoming phone calls should be answered in a timely manner. Employees shall answer the phone by saying: "Good morning/afternoon/evening; Dara's; your name speaking; can I help you?" If there is a customer to be waited on, the one on the phone should be asked to hold for a minute, place the phone on counter, wait on the customers in the store, then return to the phone.

Employees may not have visitors during their scheduled shifts at Dara's. Although we welcome friends and family of employees to shop at our locations, should friends and/or family be patrons during your shift, please keep their visit to a 5-minute maximum. Employees shall receive a written warning for friends and family that are in the store for more than five minutes.

Friends and family members are not permitted behind the checkout counter, in offices, coolers, or storage areas. Dara's is a place of business, and our customers are our priority. Violation of this policy will result in disciplinary action, up to and including suspension and/or termination of employment.

E. Customer Complaints

Should a customer have a complaint, **DO NOT ARGUE WITH THEM!** Give the customer your undivided attention. Listen to the customer and evaluate the situation. Try to handle the complaint in a quiet and fair manner if possible. If the complaint cannot be resolved, refer the customer to your store manager. If it is a situation that cannot be resolved at the store level, then refer the customer to the corporate offices.

F. Security/Surveillance Policy

For the safety, security and welfare of Dara's employees, customers, and property, Dara's maintains a video surveillance system in our stores. Except for restrooms, Employees are subject to video surveillance while in the Store, or on Store premises (including parking lots). Employees should have no expectation of privacy in any of those areas.

G. Safety Policy

Dara's places high emphasis on ensuring the safety of its employees and customers. To that end, we strive to make all work areas and stores as safe as possible. Employees are responsible for working as safely as possible to prevent accidents or injuries to themselves, co-workers, and customers. Every employee is expected to report unsafe conditions to their store manager, to think before acting, to exercise reasonable caution in carrying out the functions of their jobs, and to take care to avoid unnecessary risks. If an employee is injured while working, the employee must notify the appropriate Manager immediately and within three days complete workers compensation paperwork. Failure to timely report an injury may cause the claim to be denied.

H. Weapon-Free Workplace

To assist Dara's to provide a safe workplace free of violence for employees, customers, and the public, the possession or concealment of any weapon (as defined herein) in a vehicle, on one's person, or anywhere on Company property is strictly prohibited; provided, however, that this policy does not prohibit a person licensed to carry a concealed handgun from having such concealed handgun in a private means of conveyance, so long as the concealed handgun is not removed from the private means of conveyance while on Company property. A license, permit or endorsement to carry a concealed firearm does not authorize a permit holder to carry that concealed weapon into any Company building, including the corporate office and/or any Store or in any company-owned or leased vehicle.

All company employees are subject to this provision, including contract and temporary employees, visitors and customers in company facilities.

For purposes of this policy, a "weapon" is any object or substance, including a concealed handgun subject to license to carry a concealed firearm, designed to inflict a wound, cause injury, incapacitate, intimidate, injure or threaten the safety of oneself or another person, including, but not limited to, firearms, pellet guns, switchblade knives, knives with blades three inches or more in length, explosives (including bullets) and chemicals such as "mace" or tear-gas, but excluding normally available over-the-counter self-defense chemical repellants. Weapons prohibited by this policy include, but are not limited to, firearms, firearm replicas, ammunition look-alike's (dummies or duds), explosives (including bullets), night sticks, spring loaded knives, cross bows, and other objects designed to intimidate or injure people.

Dara's reserves the right at any time and at its discretion to search all company-owned or leased vehicles and all packages, containers, briefcases, purses, lockers, desks, enclosures and persons entering its buildings, for the purpose of determining whether any weapon has been brought into a Company building in violation of this policy. Employees who fail or refuse to promptly permit a search under this policy will be subject to discipline up to and including a termination.

I. Shoplifting Policy

Should you discover a potential shoplifter, do not approach the person! Gather the following information and make note of date and time of incident, location within the store of the individual(s), detailed description of the individual(s), description of the vehicle and if possible, the license plate information. Report all the information to Management immediately.

J. Robbery Policy

As an employee of a convenience store, you could be the subject of a robbery. Dara's has developed a set of procedures to follow in the event that one of our stores is robbed.

- Remain as calm as possible. Do not make any sudden moves or gestures. Give them what they want and get them out of the store as quickly as possible to avoid danger to yourself or any customers. HEROS are neither expected nor advised!!
- Call 911 as soon as safely possible.
- Lock the doors and shut off outside lights to preserve evidence until the police arrive.
- Request for witnesses to stay until the police arrive.
- Your job is to be a good witness! As soon as the police are notified, write down everything you remember about the robber(s) and the circumstances entailed. Details are important!! Pay attention to as much of the robbery as possible and look for distinctive or identifying characteristics.
- Do not keep any more money than you need in your drawer. Follow the rules and procedures set forth in your safe drop training. Not following safe drop rules could result in disciplinary action.

K. Power Loss Policy

Should you experience a loss of power in the store, notify your Manager immediately. During daylight hours, customers will still be helped using a calculator. If it is dark outside, immediately lock the door and stay for 15 minutes; should the power not be restored within that time you are allowed to leave the store. Before you leave, notify your Manager again!

L. Electronic Cigarette and Smoke-Free Workplace

Smoking, the use of smokeless tobacco and the use of vaporized solution is not permitted in any enclosed company facility, at any time, including the stores, restaurants, kitchens, offices, restrooms and company vehicles. This policy applies to all employees, customers, contractors, suppliers and visitors.

Smoking, the use of smokeless tobacco and the use of vaporized solution must be confined to scheduled lunch and break times or before or after the work schedule. Smoking, the use of smokeless tobacco and the use of vaporized solution is permitted only at a reasonable distance at least 20 feet away from of entrances, operable windows, and ventilation systems of enclosed

areas where smoking is prohibited, so as to ensure that tobacco smoke or vapors does not enter those areas. Smoking, use of smokeless tobacco and the use of vaporized solution is permitted only during standard breaks provided to all employees, and only in designated smoking areas outside the building. Sanitation regulations require you to wash your hands before returning to work.

Those employees who smoke and would like to take this opportunity to quit are invited to call the free Kansas Tobacco Quitline (1-800-QUIT-NOW) for telephone cessation counseling and support.

The success of this policy will depend on the thoughtfulness, consideration, and cooperation of both smokers and nonsmokers. Employees who have witnessed behavior prohibited by this policy or who have questions about the policy should immediately report the behavior or questions to a Store Manager or Human Resources. Employees should not directly confront others whom they believe have violated this policy. Instead, employees should follow the reporting procedure explained above, and the designated company representative will address the issue.

The Company will not discharge, refuse to hire or otherwise retaliate against employees, applicants or customers who, in good faith, report violations of this policy. Employees, applicants or customers who believe they have been retaliated against for reporting a violation of this policy should immediately report the concern to the store manager or Human Resources.

M. Drug- and Alcohol-Free Workplace

Dara's is committed to protecting the safety, health and well-being of all employees and other individuals in our workplace.

Accordingly, the unlawful manufacture, distribution, dispensation, possession, sale, or use of any drug or controlled substance in the workplace, or while performing any services for the company off-company premises, is strictly prohibited. Employees are further prohibited from having any drug or controlled substance illegally present in their bodies at any detectable level at any time while on company premises, or while performing services for the company.

Likewise, consumption, possession, sale, purchase, or being under the influence of alcohol in the workplace, while operating company vehicles or equipment, while operating any vehicle or equipment in the scope of the employee's employment, or while otherwise engaged in company business off company premises, is strictly prohibited.

Even drugs used legally may affect the employee's judgment and/or performance, or the safety of the employee, fellow employees, or members of the public. The use or presence of any controlled substance or over the counter drug is considered "legal" or "lawful" if the substance is prescribed for the employee and used at a dosage and in accordance with the prescription and/or directions, or in the case of any over-the-counter drug, the over-the-counter drug is legally obtained by the employee and used at a dosage and for the purpose for which the drug was manufactured and sold. Any employee who is lawfully using any controlled substance or over-the-counter drug must advise Human Resources of the lawful use before reporting to work while taking such controlled substance or over-the-counter drug if that controlled substance or over-the-counter drug might impair safety, judgment, performance, or any motor functions. Failure to

timely report such lawful use of a controlled substance or over-the-counter drug may result in disciplinary action.

In the event an employee's legal use of any controlled substance or over the counter drug is determined to impair safety, judgment, performance, or any motor functions, and the employee timely discloses such use, the employee may be granted a leave of absence until the employee is no longer using the controlled substance or over the counter drug, or safety, judgment, performance, or any motor functions is no longer impaired by such use. Any such leave will be without pay unless unused PTO time is available and used. For eligible employees, such leave time may also be counted as FMLA leave under the Company's FMLA policy. If the use or impairment continues beyond any available leave time, the employee may be allowed to resign or may be subject to involuntary termination.

Improper use of otherwise lawfully prescribed controlled substances or over-the-counter drugs is prohibited and may result in disciplinary action up to and including termination.

The Company may require an employee to undergo breath, urine, blood, oral fluid, hair sample tests, or any other testing technology to detect the illegal presence of drugs or controlled substances, or the prohibited presence of alcohol, in the employee's body under any of the following circumstances: (1) where management has reasonable suspicion that an employee may be in violation of any provision of this policy; (2) any employee who is involved in a work-related accident or who sustains a work-related injury will be subject to drug and alcohol testing; and (3) all employees are subject to random, unannounced drug and alcohol testing to determine their compliance with this policy. Being identified for random testing does not require and does not imply any particularized suspicion of any violation of this policy. The identification of employees for such random drug testing will be made by a method under which each employee shall have an equal chance of being tested each time selections are made. Employees identified for such random testing remain subject to testing under any of the other circumstances set forth above.

To ensure the accuracy and fairness of our testing program, all testing will be conducted according to Substance Abuse and Mental Health Services Administration (SAMHSA) guidelines where applicable and will include a screening test; a confirmation test; the opportunity for a split sample; review by a Medical Review Officer, including the opportunity for employees who test positive to provide a legitimate medical explanation, such as a physician's prescription, for the positive result; and a documented chain of custody. All drug-testing information will be maintained in separate confidential records.

If, as a result of any test performed at the company's direction under this policy, a drug or alcohol test establishes the illegal presence of any drug or controlled substance, or the prohibited presence of alcohol, in the employee's body, the employee will be subject to disciplinary action up to and including termination. Likewise, if an employee refuses to consent to such testing when directed by the company or if the employee tampers with or attempts to tamper with the testing, the employee will be subject to discipline up to and including termination.

Dara's provides an Employee Assistance Program (EAP), which offers drug abuse education and services through which employees may seek confidential assistance for drug- and/or alcohol-related problems. The EAP is available not only for the employee's own drug- and/or alcohol-related issues, but those of family members. Employees are encouraged to seek such assistance

before any violation of this policy is detected. Seeking assistance after the Company requests a drug/alcohol test, or any policy violation has occurred, will not insulate the employee from disciplinary action, up to and including termination.

Employees who (1) do not cooperate with any company-offered drug/alcohol evaluation; (2) refuse to participate in or do not satisfactorily complete any drug or alcohol abuse assistance or rehabilitation program the Company may offer, in its sole discretion; or (3) subsequently violate this policy will be deemed to have engaged in misconduct, which will result in termination.

Nothing in this Policy may be interpreted as any guarantee that a violating employee who has engaged in misconduct will necessarily be allowed an opportunity to participate in rehabilitation in lieu of termination. If the employee is extended such an opportunity, the employee must participate in a drug and/or alcohol evaluation by a substance abuse professional approved by the company, and must further cooperate fully with any evaluation, counseling, treatment, rehabilitation, and follow-up process prescribed as a result of any such evaluation. Participation in any evaluation, treatment, counseling, or follow-up program will be at the employee's expense unless such benefits are provided under the terms of the company's group health plan or by other available benefits. Time lost from work for such a program shall be without pay unless unused PTO time is available and used. For eligible employees, such time may also be counted as FMLA leave under the Company's FMLA policy.

As a condition of continued employment, an employee who successfully completes approved rehabilitation must further sign and abide by a Last Chance Acknowledgment prior to returning to work and agree to submit to unannounced follow-up testing for a period to be determined by the company-approved substance abuse professional. After signing the Last Chance Acknowledgment and before returning to work, the employee must submit to a drug and/or alcohol test, and the results of the test must be negative.

Any employee who is convicted of a criminal drug violation in the workplace must notify the organization in writing within five calendar days of the conviction.

N. Electronic Communications

This policy applies to any and all company electronic communication devices, including, but not limited to, personal computers (PCs), laptops, e-mail systems, internet connection, fax machines, scanners, printers, electronic file storage, PDAs/cell phones, telephone system, or any other form of electronic communications.

Dara's recognizes that use of electronic communication devices has many benefits for the company and its employees. Use of the Internet, e-mail and other electronic devices enable communications to be more efficient and effective. Therefore, employees are encouraged to use such devices and systems appropriately. Unacceptable usage can compromise the company's and others' interests, and may result in disciplinary action, up to and including termination, of any company employee engaging in unacceptable usage of such devices and systems.

The following guidelines have been established for using the Internet, e-mail, and other electronic communication devices in an appropriate, ethical and professional manner.

1. Dara's internet and e-mail access may not be used for transmitting, retrieving, viewing, or storing of any communications of a defamatory, discriminatory, or harassing nature or materials that are obscene. No messages with derogatory or inflammatory remarks about an individual's race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, mental or physical disability, genetic information, citizenship, or any other lawfully protected status shall be transmitted. Harassment of any kind is prohibited. Please refer to Dara's policies prohibiting harassment and discrimination.
2. Disparaging, abusive, profane, or offensive language; materials that would adversely or negatively reflect upon Dara's or be contrary to the company's best interests; and any illegal activities, including piracy, cracking, extortion, blackmail, copyright infringement, and unauthorized access to any computers on the Internet or e-mail, are forbidden. This policy should be read and interpreted in conjunction with all other company policies including but not limited to policies prohibiting harassment, discrimination, offensive conduct and/or inappropriate behavior. Employee-users are prohibited from using e-mail for any unethical purposes, including but not limited to pornography, violence, gambling, racism, harassment, or any illegal activity. Employee-users are forbidden from using profanity or vulgarity when posting electronic communications, or storing, printing, displaying, or forwarding any communications containing profanity or vulgarity.
3. Copyrighted materials belonging to entities other than Dara's may not be transmitted by employees on the company's network. All employees obtaining access to other companies' or individual's materials must respect all copyrights and may not copy, retrieve, modify or forward copyrighted materials, except with permission or as a single copy to reference only. If you find something on the Internet that may be interesting to others, do not copy it to a network drive. Instead, give the URL (uniform resource locator or "address") to the person who may be interested in the information and have that person look at it on his/her own.
4. Do not use the system in a way that disrupts its use by others. This includes sending or receiving many large files and "spamming" (sending e-mail messages to thousands of users). Incidental personal use of the electronic mail system that otherwise complies with the requirements and restrictions set forth in this policy is permitted. However, the personal use of e-mail should not interfere with company operations, nor should it cause any harm or embarrassment to the company or its employees or owners. Any personal use of e-mail is expected to be on the employee-user's own time and is not to interfere with the person's job responsibilities. Employee-users are prohibited from accessing personal e-mail accounts (such as hotmail, yahoo, g-mail, etc.) and social media sites (such as Facebook) through the Company's electronic devices.
5. Non-business-related file downloads from the Internet are not permitted unless specifically authorized and approved by a member of company management. Software not purchased by Dara's should not be installed on any company computer without prior management authorization.
6. Dara's does not allow the use of any type of instant messaging service on the company's electronic systems for business or personal use without prior management authorization.

7. Each employee is responsible for the content of all text, audio, or images that he/she places or sends over the company's Internet and e-mail system. No e-mail or other electronic communications may be sent which hides the identity of the sender or represents the sender as someone else. Also, be aware that the company's name is attached to all messages so use discretion in formulating messages.
8. All electronic communications are company property, and no employee has any reasonable expectation that any such communications are private or confidential as between any employee and company. Dara's reserves the right to examine, monitor and regulate e-mail messages, directories, and files, as well as Internet usage. Also, the Internet is not secure so do not assume that others cannot read, or possibly alter, your messages.
9. Internal and external e-mail messages and Internet access are considered business records and may be subject to discovery in the event of litigation. Be aware of this possibility when sending e-mail within and outside the company.
10. The electronic mail system may not be used to solicit or proselytize for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations.
11. Employees should not access another employee's electronic systems without prior permission, including, but not limited to e-mail, telephone systems, copy/scanners, and personal computers.

The Company's Ownership of Property, Right to Monitor, and Consequences of Policy Violations

All company-supplied technology, including computer systems and company-related work records, belong to Dara's and not the employee. No company employee has authority to share any company-provided equipment with anyone outside of the company, nor may any company employee give consent to any outside party, including any law enforcement officer without a valid warrant, to search or seize any company property, including any company-owned computer. The company routinely monitors usage patterns of its e-mail and Internet communications. Although employees are permitted to use the Internet, employees should use discretion in the sites that are accessed. Sites that contain or promote any communications of a malicious, defamatory, discriminatory, or harassing nature or materials that are obscene or X-rated must not be accessed. Sites with messages with derogatory or inflammatory content about an individual's race, color, sex, pregnancy, national origin, ancestry, religion, age, military status, protected disability, genetic information, or any other lawfully protected status must not be accessed. Harassment of any kind is prohibited.

Because all the computer systems and software, as well as the e-mail and Internet connection, are company-owned, all company policies are in effect at all times, not just during normal business hours. Any employee who abuses the privilege of company-facilitated access to company systems, e-mail or the Internet may be denied access to the company systems, email, and Internet and, if appropriate, be subject to disciplinary action up to and including termination.

O. Store Rules

- Employees are prohibited from playing lotto or lottery while on the clock. This may result in immediate termination.
- No employee is allowed to read or study on the clock. Reading is only allowed if it involves company-related materials, and the employee has management approval.
- Cashiers are allowed +/- \$3.00 net off per shift. If your shift is off more than \$3.00, you will be subject to disciplinary action. Continued shortages can result in suspension or termination.
- All customers are required to pre-pay for fuel. Employees are not to turn on the gas pumps for anyone unless payment has been received and the amount has been preset in the register. Exceptions: Dara's, JIT and N'Ice employees driving company vehicles, and some local account customers. Your Store Manager will provide you with a list and the proper procedure to follow for these customers.
- Only employees are allowed behind the sales counter. Friends and family are never allowed behind the sales counter.
- During non-business hours, when the doors are locked, only Dara's employees are allowed inside the store.
- Employees are not allowed to sit behind the sales counter. Requests to sit as accommodation for disability, injury, pregnancy, etc. may be made through the Store Manager and/or Human Resources.
- Employees are to conduct themselves in a professional manner at all times. Your Store Manager may take disciplinary action if you are acting unprofessionally.
- Store phones are for company use only. Personal phone calls can be made or received in emergency situations only and can last no more than five minutes.
- Employees are not permitted to use cell phones while on duty. Employees should leave cell phones at home or in their vehicle. Management is an exception. Management is required to have company issued cell phones on them at all times. Management should not use cell phones for personal use, while on duty. Management may approve an individual employee to keep their cell phone with them for special circumstances. No employee should ever use a cell phone while customers are present in the Store.

P. Personal Property

Dara's is not responsible for any employee's personal property (including money). All packages carried on or off the store premises are subject to inspection and search by the Store Manager or another member of management. Purses, backpacks and other personal items should not be kept behind the sales counter; the Store Manager will provide a designated space for storage of personal belongings.

Q. Change of Address

To assist the office in maintaining accurate employee files, all employees are asked to notify their Store Manager or the corporate office when there is a change of address or telephone number. These changes will be recorded on an employee status change form.

R. Check Cashing

Dara's accepts checks from pre-approved customers only. Your Store Manager will provide you with a list of customers approved to pay by check. Current address and phone number must be on all checks (written or pre-printed). You must ask for a picture ID (driver's license) with every check. Make sure the ID information matches the check information and that the signature is the same. Accept no checks without proper form of ID. Place your employee number and the check verification number on the back of the check in the endorsement area.

S. Credit Card Acceptance

Credit cards are accepted for the amount of the purchase only. ATM's are provided at all locations if a customer needs cash. If a card is declined, remember to be courteous and ask for another form of payment. If the card does not process, please contact the credit card network help desk.

T. Vendor Check In

All vendors must check in their merchandise with the clerk or manager on duty. All invoice information will be verified before the invoice is signed. All deliveries must be scanned into the stores handheld scanner. Employees must scan the actual product brought in and verify that the items and quantities listed on the invoice are correct to the product delivered. Employees are not to use 'scan sheets' occasionally provided by the Vendors. Vendors must break down all their empty boxes before leaving the store. Vendors must wait to check in their merchandise until customers are taken care of first.

Some vendors require a check to be written upon delivery. Your Store Manager will instruct you on the Vendors that receive checks and the procedure for writing the checks. If you must void a check, write "VOID" across the check stub and attach the voided check.

U. Parking Agreement

Customers may have vehicle problems that require them to leave their vehicles on our lot. If this happens, have the customer fill out the "Parking Contract"; this designates when they will be back to remove their vehicle. The customer has 24 hours in which to remove the vehicle. If possible, have the customer move the vehicle from any prime parking spaces. Cars left without a contract will be towed at the owner's expense after 30 minutes has expired. No car shall be towed without management approval.

V. Confidentiality of Business Operations and Personnel Issues

No employee shall disclose information about business operations or Dara's records or information provided to employees for business use to those outside Dara's except where required for a business purpose and with express prior approval from management to do so. No

Dara's-related information, including documents, notes, files, records, computer files, employee files or similar materials may be removed from Dara's premises without permission from management. Employees must not disclose any confidential information, purposefully or inadvertently, to any unauthorized person inside or outside the company. Employees who are unsure about the confidential nature of specific information must ask their manager or a member of management for clarification. Employees will be subject to disciplinary action, up to and including termination, for revealing information of a confidential nature without the company's permission.

Employee issues that do not involve you directly and other confidential personnel information should not be discussed with others during work hours unless management approaches you. Employees will be subject to disciplinary action, up to and including termination, for engaging in malicious discussions about co-workers, the management and/or owners of Dara's. This policy is not intended to, and will not be interpreted to, restrict employees from discussing their wages, hours and working conditions with co-workers outside the presence of customers and outside of working time.

W. Chain of Command

In case of emergencies that an employee is unable to handle alone, the following is the order in which phone calls should be made.

1. Store Manager (or designated representative if the Store Manager is on PTO or a leave of absence)
2. Another store within the chain
3. Corporate Office Monday-Friday, 8am-5pm
4. Ross McKinney, General Manager/Kathy Ostrom, HR

Make sure you have identified the problem and its severity prior to calling anyone. The severity of emergencies can vary. Remember to stay calm, call the appropriate contacts, and explain the situation and the remedies you've tried to resolve the situation prior to calling.

X. Employment of Relatives and Consensual Relationships

Relatives or members of an employee's immediate family may be eligible for employment with the company if the individuals involved do not work in a direct supervisory relationship or in a position in which a conflict of interest could arise. For purposes of this policy, the following relationships are included: parent, grandparent, spouse, partner/significant other, fiancé, romantic involvement, children, sibling, aunt, uncle, in-law, step or partial (e.g., half-brother) relationship or any other member of the employee's household.

Employees who become related or become involved in a relationship with a subordinate, as defined by this policy, must report this new relationship to management. So that management is aware of situations which have the potential of conflict, any member of management who becomes related to or personally involved with a subordinate must report this involvement or relationship to Human Resources or to the General Manager.

Employees who become related or who become involved in a relationship may continue employment as long as there is not a direct supervisor/subordinate relationship between such employees or an actual conflict of interest or the appearance of a conflict of interest. Should one of the above situations occur, the company will attempt to find a suitable position within the company where one of the affected employees may transfer. The employees involved will determine which of them will transfer. If there is not an available position open for transfer or a transfer is not feasible, the parties will be permitted to determine which of them will resign.

This policy does not apply to the company's owners and family members of the owners.

Y. Safe Driving

Employees must have a valid and current driver's license with current auto insurance to operate any vehicle while on company business. The company may obtain Motor Vehicle Records on all employees for whom driving is an essential job function prior to employment or transfer into such a position, and periodically thereafter. Employees driving company owned vehicles must be approved by Dara's insurance company for coverage on the company policy. Any employee for whom driving is an essential function, and who has a driver's license revoked or suspended shall immediately notify his or her supervisor and/or Human Resources and immediately discontinue operation of any company vehicle or any personal vehicle on company business.

Employees who are driving while on company business will be expected to consistently adhere to the following requirements:

- All employees are expected to wear seat belts at all times while in a moving vehicle, whether they are the driver or a passenger;
- The company prohibits the unsafe use of cellular telephones or other electronic devices by its employees while driving to conduct Company business, despite the fact the company may provide the cellular phone or other electronic device, or reimburse the employee for business-related use of such devices, irrespective of the ownership of the device. The company specifically prohibits texting or answering emails while driving. Employees should pull over to text or email. Employees must adhere to laws prohibiting the use of cellular telephones, texting, or use of other electronic devices while driving;
- Use of, or impairment by, alcohol, drugs or other substances, including prescription or over-the-counter medications that in any way impair driving ability, is prohibited while driving;
- All employees are expected to follow all driving laws and safety rules such as adherence to posted speed limits and directional signs, use of turn signals and avoidance of confrontational or offensive behavior while driving;
- Vehicle accidents occurring while on company business, whether in company-owned or leased vehicles or personal vehicles, and regardless of severity, must be reported to the police and to Human Resources. Accidents are to be reported immediately (from the scene, during the same day, or as soon as practicable if immediate or same day reporting is not possible). Employees are also expected to report any moving or parking violations received while driving company vehicles or on company business.

Z. Use of Company Credit cards and Vendor charge accounts

All employees in the possession of a credit card issued by Dara's LLC, or with authorization to make charges to Vendor accounts, will adhere to the strictest guidelines of responsibility for the protection and proper use of those cards or accounts.

All sales receipts generated by use of credit cards and charge accounts must be submitted weekly to the Accounting department.

Company credit cards and Vendor charge accounts are not to be used for personal reasons; use is restricted to approved business-related expenses only. Any unauthorized purchases will be the cardholder's responsibility and must be reported to Accounting immediately and paid to the Company within 7 days.

Immediately report lost or stolen company issued credit cards to the Corporate office. Failure to follow policy may result in disciplinary action up to and including termination.

AA. Prohibition of Improper Photographs and Recording

Dara's prohibits employees or others from using any electronic device to capture photographs, video or audio recordings or other image of any company employee, facility, operation, customer, or visitor without the company's express authorization, except in direct furtherance of protected concerted activity under applicable law. To protect the confidentiality of company and customer information, as well as the dignity of our employees, customers, and visitors, employees may not photograph, video or audio record anyone in the workplace unless work-related and in compliance with their job duties, and specifically approved by management. Employees are required to report to management immediately any employee, customer or visitor using electronic devices to secretly capture photographs, video, or audio recordings of company and/or customer confidential information, or any other "inappropriate" photographs or recordings (as described below).

Although this policy is not intended to, and will not be interpreted to, restrict employees from discussing their wages, hours and working conditions with co-workers when not at work, the posting of any photograph, audio or video or image of any company employee, owner, facility, operation, customer, or visitor without the company's express authorization on the internet, including on any social networking sites or use on any other social media, is prohibited unless the employee first obtains the express written and knowing consent of the individuals photographed and/or recorded, and company management.

A photograph, video, audio or other recording or image captured in the workplace will be considered "inappropriate," and thus prohibited (even with the knowledge and consent of the individual(s) depicted) if the photograph or recording is sexually suggestive, obscene, or threatening; or where any individual depicted is not fully clothed, or is engaged in any activity a reasonable person would expect to be private (e.g. changing clothing, using the restroom, etc.); or is discriminatory against any individual based on any legally protected status; or casts the individual(s) depicted and/or company in a false light, or otherwise subjects the individual(s) depicted and/or company to ridicule or humiliation.

This policy does not apply to the company's video surveillance system. Employees are prohibited from destroying or altering records created by the company's video surveillance system without authorization to do so by management. Employees may not access, view, or copy the company's video surveillance records unless it is part of their regular work duties or unless expressly authorized to do so by company management.

BB. Social Media

For purposes of this Policy, "social media/networking activities" include, but are not limited to, posting information or content, or otherwise contributing to blogs, forums, social media/networking sites such as Facebook, LinkedIn, Instagram, Twitter (X), Snapchat, YouTube, TikTok, and any other web-based communications.

Employees with business need for access to social media/networking sites to perform their jobs (for example, those in sales, marketing) are allowed to participate in social media/networking activities on behalf of and/or for the benefit of Dara's. When discussing Dara's products or services, employees must always disclose their employment relationship with the company. For all employees, personal blogging, twittering and other social media/networking activities conducted during work hours, whether using the employee's own or company's device(s) or equipment, are strictly prohibited.

Dara's recognizes that employees may engage in social media/networking activities outside of working time and not using company's equipment. This policy is not intended, nor will it be enforced, to restrict the flow of useful and appropriate information or to restrict employees from discussing their wages, hours and working conditions with co-workers when not at work. The company will never ask for an employee's log-in or password information for a personal social media account. Other activities that are not protected concerted activities and that adversely affect the employee's job performance, the job performance of others, company's customers, or company's other business interests, or otherwise reflect on Dara's image or reputation, or are inconsistent with an employee's legal duty of loyalty to the company, are the focus of this policy.

Expectations for On- and Off-Duty Social Media/Networking Activities:

Whether the social media/networking activities are authorized job functions or occur outside of working time and/or off-premises, employees should be aware that posts to social media/networking sites, blogs, and other online means of expression are open to the general public. Consequently, where such activities identify any affiliation with the company or relate to the company, its employees, products, and/or clients and customers, the rules and expectations in this policy apply to such social media/networking activities, whether conducted on- or off-duty.

When social media/networking activities are conducted off-duty and are personal activity, reference to the company is strongly discouraged. (As noted above, however, if any employee discusses any Company product or service, the employment relationship must be disclosed.) If the company is identified in an employee's non-work-related posting, the employee must state that any opinion expressed is the author's alone, and not the companies.

Comments or references, direct or indirect, that are disparaging, critical or insulting about customers are strictly prohibited. Employees' postings should never personally attack, disparage, or harass the company's customers, suppliers, vendors, or other third parties,

including competitors. Even comments intended to be “positive” about customers, but which disclose, directly or indirectly, any potentially confidential information about the customer, including the fact of their status as a customer, are prohibited without the express permission of both the company and the customer. These instructions mean, for example, that employees must not comment on or reference, positively or negatively, customers or customer matters, even if the customer is not mentioned by name, but is referenced indirectly or described.

All postings must comply with any applicable laws, and company policies, as well as any agreements between the employee and company.

Among the laws employees must comply with at all times are copyright, trademark, and other intellectual property laws. Employees should respect, and refrain from infringing upon, the intellectual property, including copyright, trademark and trade dress, of the company or any third party. Accordingly, employees must refrain from any unauthorized use, direct or indirect, of company’s intellectual property, including without limitation, trademarks, trade names, trade dress, slogans, logos, etc. -- as well as any use of trademarks, trade names, trade dress, slogans, logos, etc. that are confusingly similar to those used by the company. The same restrictions apply to intellectual property of any company customer or competitor. That means, for example, that employees are prohibited from using Facebook or Twitter names, handles, domain names, email addresses, avatars, and the like, that are identical or confusingly similar to any trademarks, trade names, trade dress, slogans, logos, etc. of Dara's, or a competitor's or customer's. Employees should also avoid use of Facebook and Twitter names, handles, domain names, email addresses, avatars and the like that could be viewed as disparaging to the company or any competitor, or customer (e.g. a Twitter handle including “@so-and-so stnx”).

Employee postings must also comply with all other laws (including Employment-related laws) and policies, including Anti-Discrimination, Anti-Harassment, Insider Trading, Unauthorized Photography or Recording, and Confidentiality Policies. **Employees’ postings must never divulge trade secrets, or confidential information of the company or any customer. Discriminatory, harassing, obscene, threatening, slanderous or other egregiously inappropriate posts about the company, owners, managers, or co-workers are strictly prohibited.**

The company may review any readily available site or blog and may take appropriate action based upon information posted by a company employee on such sites or blogs revealed by such review or if brought to the company's attention by others with access to the site or blog. Any violation of the social media/networking policy or of any company policies or procedures via social media and/or networking activities may result in disciplinary action, up to and including termination.

VII. Resignation, Disciplinary and Termination Policies

A. Resignation Policy

Dara’s hopes that your employment with the company will be a mutually rewarding experience; however, Dara’s acknowledges that varying circumstances can cause you to resign employment. The company intends to handle any resignation in a professional manner with minimal disruption to the workplace.

Dara's requests that you provide a minimum of two weeks' notice of your resignation. Provide a written resignation letter to your Manager. If you provided less notice than requested, Dara's may deem you to be ineligible for rehire, depending on the circumstances of the notice given.

Dara's will pay separated employees in accordance with applicable laws and other sections of this handbook. If your home address or email address changes during the calendar year in which resignation occurs, notify Human Resources of those changes to ensure tax information is sent correctly.

All company property needs to be returned at time of separation. Failure to return some items may result in deductions from your final paycheck, where state law allows. In some circumstances, Dara's may pursue criminal charges for failure to return company property.

B. General Causes for Disciplinary Action

As a service-oriented company, Dara's LLC expects every employee to adhere to the highest standards of job performance and personal conduct, including interactions with other company personnel, vendors, suppliers, and customers. The company reserves the right to terminate or discipline employees for violating any company policy, practice or rule of conduct. These guidelines and the Handbook are intended to give you notice of the company's expectations and standards. However, it does not include every type of unacceptable behavior that can or will result in disciplinary action. The company retains the discretion to determine the nature and extent of any discipline based upon the circumstances of each individual case, up to and including immediate termination of employment.

Although the company reserves the right to discipline or terminate an employee for any reason it deems appropriate or necessary, the following is a list of unacceptable conduct which may result in immediate termination without notice:

- Insubordination;
- Violation of the Drug and Alcohol-Free Workplace Policy;
- Theft, dishonesty or misappropriation of Dara's or a co-workers' property;
- Theft, or misappropriation of a customer's property;
- No call/No show for scheduled shift;
- Willful or negligent damage to Dara's property, equipment, tools, or vehicles;
- Assault on, or any threat of violence against, a co-worker, vendor or customer;
- Failure to card **any** individual purchasing tobacco or alcohol. Employees who are caught selling tobacco or alcohol to anyone under the legal ages may be terminated immediately.
- Refusal to accept any appropriate work direction from an authorized Dara's representative;

- If job classification includes operation of a company vehicle: failure to have and maintain a valid driver's license. In the event that the operating privileges of driver are revoked, the employee must disclose that action to Dara's immediately; Dara's may suspend employment for the period of revocation. If the revocation is longer than 6 months, Dara's may terminate employment.
- If job classification included operation of a company vehicle and Dara's insurance company places a driving restriction on the employee, Dara's may terminate employment.
- The carrying of unauthorized passengers in a Dara's vehicle;
- Unauthorized use of a company vehicle, company property, or company information;
- Divulging company information to a competitor or any unauthorized person;
- Failure to account for moneys collected for the account of the Company;
- Lending any company property to unauthorized persons;
- Unauthorized use of Company time;
- Failure to report any accidents involving company equipment, material, or vehicles, including those that cause bodily harm or create a potential environmental hazard to Company Management;
- Acts of a criminal nature on or off the premises during work time ;
- Violation of any company policy, practice or procedure

C. Conflicting Employment

At no time shall an employee hold another job or perform any kind of work that is similar to the work you perform with Dara's, without receiving prior written approval from the owners, Chris Darrah and Ross McKinney or a designated member of management. Employees also should not work at any other job that interferes with your ability to perform your job with Dara's or interferes with any work schedule. If you violate this policy, you are subject to disciplinary action, up to and including termination.

D. Dispute Resolution

Work-related conflicts or problems that are not covered by the company's Anti-harassment policy should first be directed to your Store Manager or Office Manager, as applicable. In the event you do not receive an adequate response, you may request a meeting with the owners, Chris Darrah or Ross McKinney. If you have a complaint that is covered by the company's Anti-Harassment policy, you should follow the reporting procedures in the Anti-Harassment policy.

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DARA'S LLC
HANDBOOK ACKNOWLEDGMENT



The Employee Handbook is a compilation of personnel policies, practices and procedures currently in effect at Dara's LLC, an equal opportunity employer. This Handbook is intended solely to describe the present policies and working conditions at the company. This Handbook does not purport to address every conceivable situation; it is merely meant as a guideline, and the company will apply its management discretion to all situations, considering the particular facts and circumstances.

Personnel Policies are applied at the discretion of Dara's. The company reserves the right to change, withdraw, apply, or amend any of our policies or benefits, including those covered in this Handbook, at any time. The company may notify you of such changes via e-mail, or via a printed memo, notice, amendment to or reprinting of this Handbook, but may, in its discretion make such changes at any time, with or without notice and without a written revision of this Handbook.

I understand that this Handbook does not constitute a guarantee of employment or an employment contract, express or implied. My employment is "at-will" and I may be terminated with or without cause, and with or without notice, and that I can quit at any time.

I understand that Dara's may modify any provisions of this Handbook at any time and that I will be notified in writing of such changes.

By signing below, you acknowledge that you have received a copy of Company's Employee Handbook and understand that it is your responsibility to read and comply with the policies contained therein and any revisions made to it. Furthermore, you acknowledge that you are employed "at-will", and that this Handbook is neither a contract of employment for a definite duration, nor a legal document.

Signature _____

Print Name _____

Date _____