

Arizona Handbook Addendum

ABOUT THIS HANDBOOK

This Arizona Handbook Addendum applies to Stiles Machinery employees who work in the State of Arizona and supplements our Employee Handbook. The policies noted in this Addendum are in addition to those that make up the Employee Handbook, and the policies that reside within that Handbook still apply to all employees of Stiles Machinery. In the event of any inconsistency between the Handbook and this Addendum, this Addendum will control for our employees working in Arizona.

Arizona-Specific Policies

1-1 Paid Sick Leave

Stiles Machinery provides paid sick leave to all Arizona employees who are not otherwise eligible for paid time off for permitted purposes. Full-time employees who use PTO for purposes covered under this policy are permitted to use such time off in accordance with the provisions set forth below.

Paid sick leave may be used for temporary absences due to the following reasons:

- To care for a employee's own mental or physical illness, injury, or health condition; need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or for their preventative care.
- To care for a family member's mental or physical illness, injury, or health condition; need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or for their preventative care.
- When the employee or employee's family member needs treatment or counseling because they are victims of domestic violence, abuse, sexual violence, or stalking.
- When businesses or schools are closed because of a public health emergency.
- When care is required for the employee or a family member who has been exposed to a communicable disease.

"Family member" includes spouses, registered domestic partners, children (regardless of age, including a biological, adopted, or foster child; stepchild or legal ward; a child of a domestic partner; a child to whom the employee stands in loco parentis; or an individual to whom the employee stood in loco parentis when the individual was a minor), parents (including stepparents, foster parents, adopted parents, legal guardians, and parents-in-law), grandparents, grandchildren, siblings, and any other individual whose relationship with the employee is equal to a familial relationship.

Paid sick leave benefits will begin accruing on your hire date. For hourly employees, paid sick leave will accrue at a rate of one hour for every 30 hours worked. Worked hours do not include holidays, vacation, or time on unpaid leaves of absence. For salaried exempt employees, paid sick leave will accrue at varying rates, depending on a number of factors, but in no case shall the accrual be less than 1.33 hours for every workweek in which the employee performs work. For hourly employees, there is a maximum annual accrual of 40 paid sick leave hours per calendar year. Employees can request use of paid sick leave after 90 days of employment.

Paid sick leave accruals will be tracked on all employees' paystubs. Unused paid sick leave benefits will be allowed to roll over to the following calendar year. Regardless of and in addition to any rollover, hourly employees will be able to accrue up to 40 hours of paid sick leave in a new calendar year. Paid sick leave taken that exceeds the amount of any paid sick leave accrual will not be paid. Paid sick leave can be used in minimum increments of one full hour.

When the need for paid sick leave is foreseeable, the employee must make a good-faith effort to request the time off in advance and must make every effort to schedule the time off in a manner that does not unduly disrupt Stiles Machinery's business.

If the need for paid sick leave is not foreseeable, the employee must contact their supervisor as soon as possible, which, absent exigent circumstances, generally means within hours of when the need for leave arose, but in any event, prior to the start of a employee's shift.

Stiles Machinery prohibits employees from being retaliated or discriminated against for exercising their rights to paid sick leave.

If applicable, a doctor's note certifying any illness, injury, or health condition is required for any absence in excess of three consecutive workdays.

Accrued but unused paid sick leave, no matter the amount, will not be paid out at the conclusion of employment.

Paid sick leave will not count as hours worked toward the calculation of overtime pay.

1-2 Arizona Medical Marijuana Act

In accordance with Arizona law, Stiles Machinery will not discriminate against employees who are registered qualifying patients for medical marijuana use who test positive for marijuana. However, Stiles Machinery reserves the right to take adverse employment actions against any employees who use, possess, or are impaired by marijuana during the hours of employment or on work premises.

1-3 Drug and Alcohol Testing

Stiles Machinery will comply with all Arizona obligations related to drug and alcohol testing that exceed or differ from those outlined in the Handbook. Arizona employees may be subjected to such testing for purposes of investigating a workplace accident; maintaining safety for employees, customers, or the public; maintaining productivity, product or service quality; maintaining security of property; or based on a reasonable suspicion that a employee may be affected by the use of drugs or alcohol and that such use may adversely affect job performance.

Tests will be conducted using the testing method and collection procedure outlined in the Employee Handbook. Specimens will be tested for alcohol, illegal drugs, narcotics, barbiturates, marijuana (including medical marijuana), and other controlled substances not prescribed by a physician, and other intoxicants. Refusal to take a drug or alcohol test will result in termination. All testing will be compliant with scientifically accepted methods and conducted at an approved laboratory. All tests will be paid for by Stiles Machinery.

Positive tests will be confirmed using a different process than the first test. A chromatographic technique or a comparably reliable analytical method will be used for this purpose. Employees may obtain a written copy of their test result upon request. Employees will also be provided an opportunity to explain a positive test result in a confidential setting upon request. All test results will be kept confidential in accordance with applicable law.

1-4 Voting Leave

In the event a employee has fewer than three consecutive hours between either (1) the opening of the polls and the start of the employee's regular work shift; or (2) the end of the employee's work shift and the closing of the polls, the employee may take as much working time as necessary to provide them with three consecutive non-working hours while the polls are open. This time should be taken at the beginning or end of the regular work schedule. Employees should let their supervisor know at least one day before the election of such a need. Employees will not lose wages, salary, or benefits due to absence required for voting as outlined in this section.

Arizona Handbook Addendum Acknowledgment

This Arizona specific Handbook Addendum is an important document intended to help our employees become acquainted with policies specific to the State of Arizona. This document is intended to provide guidelines and general descriptions only; it is not the final word in all cases. Individual circumstances may call for individual attention.

Because the Company's operations may change, the contents of this handbook may be changed at any time, with or without notice, in an individual case or generally, at the sole discretion of leadership.

Please read the following statements and sign below to indicate your receipt and acknowledgment of this Arizona Handbook Addendum.

I have received and read a copy of Stiles Machinery's Arizona Handbook Addendum. I understand that the policies, rules, and benefits described in it are subject to change at the sole discretion of the Company at any time.

I further understand that my employment is terminable at will, either by myself or the Company, with or without cause or notice, regardless of the length of my employment or the granting of benefits of any kind.

I understand that no representative of Stiles Machinery other than the Head of Human Resources and/or the President may alter "at will" status, and any such modification must be in a signed writing.

I understand that my signature below indicates that I have read and understand the above statements and that I have received a copy of the Company's Arizona Handbook Addendum.

Employee's Printed Name: _____

Employee's Signature: _____ Date: _____

The signed original copy of this acknowledgment will be filed in your personnel file.