



EMPLOYEE HANDBOOK

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Dear Fellow Employee,

We'd like to take this opportunity to welcome you aboard the LSI team. We hope your time with us is prosperous and rewarding.

This manual is designed to familiarize you with Logistech Solutions, Inc.'s employment policies, work rules, pay practices, and benefits. It is only a general guide to our current employment policies and to some of your benefits and responsibilities as an employee.

Please read it thoroughly and keep it for future reference. Further, please feel free to discuss questions you have regarding any corporate policy or procedure with your direct manager or supervisor. It is important to you and LSI that you fully understand what is required of you and what you in turn expect to receive from the Company.

From time to time, LSI's management reviews its policies, procedures and benefits and makes revisions based on the need for or desirability of changes. When these changes do occur, you are encouraged to discuss this with your manager.

Again, we wish you the best in your future here at Logistech Solutions.

Sincerely,

Logistech Solutions Management

A. Employee Manual Interpretation and Disclaimer

The purpose of the employee manual is to provide employees of LSI with general information regarding the procedures and policies that govern employment at LSI. Because it is not possible to anticipate every situation or answer every question about employment, the guidelines set forth in the manual are not intended to provide fixed rules for dealing with all problems that arise in the workplace.

Personnel guidelines in the manual supersede and replace all previously published or unpublished policies, guidelines, handbooks, or other publications related to personnel matters. LSI must demonstrate flexibility in the administration of employment guidelines and reserves the right, with or without notice, to rescind, modify, or deviate from guidelines, policies, practices, or procedures relating to employment matters from time to time as it considers necessary or appropriate in its sole discretion.

The personnel guidelines in this manual may only be altered or contradicted in writing by the President or Board of Directors of LSI.

LSI retains the right to release you from employment at any time and for any reason, just as you retain the right to leave LSI at your discretion. The employment relationship is entirely at-will.

NEITHER THE EMPLOYEE MANUAL NOR ANY PROVISION OF THE MANUAL IS AN EMPLOYMENT CONTRACT OR ANY OTHER TYPE OF CONTRACT AND DOES NOT CREATE ENFORCEABLE RIGHTS ON THE PART OF EMPLOYEES.

II. EMPLOYMENT PRACTICES

A. Equal Opportunity Principles; Sexual Harassment; Complaint Procedures

1. Equal Opportunity Principles

It has been and will continue to be the policy of LSI to be fair and impartial in all of its relations with its employees and applicants for employment. LSI will base all employment-related decisions upon valid job-related factors, without regard to race, religion, national origin, age, sex, physical or mental disability, veteran or other protected status. This policy applies to recruitment, hiring, training, promotion, and all other personnel actions and conditions of employment such as compensation, benefits, layoffs and reinstatements, training, tuition assistance, and disciplinary measures. Harassment of employees or applicants on the basis of any of these protected characteristics also is prohibited.

By this policy, LSI wishes to ensure that all employees have the opportunity to make their maximum contribution to LSI and to their own career goals. The intention behind this policy is to provide an equal employment opportunity program that will simultaneously serve the requirements of society, the law, sound business practices, and individual dignity.

2. Sexual Harassment

Sexual harassment is illegal and contrary to the policy of LSI. LSI strives to foster a work environment free of sexual discrimination, intimidation and insult. LSI prohibits any officer or employee from making unwelcome and unsolicited sexual advances or

engaging in other verbal or physical conduct of a sexual nature, when an individual's submission to that conduct is made explicitly or implicitly a term or condition of that individual's employment, or when that conduct creates an intimidating, hostile or offensive working environment.

3. Complaint Procedure

Any person who believes that he or she is the victim of any type of discriminatory conduct, including sexual harassment, or that another employee has been the subject of discriminatory conduct, including sexual harassment, or that another employee has been the subject of discrimination, should promptly advise LSI's General Manager. LSI prohibits any kind of retaliatory act against an individual who has in good faith complained about discrimination. Supervisory employees who are aware of discriminatory conduct and fail to report it to the General Manager will be subject to disciplinary action. The Company will conduct a prompt and thorough investigation of all the circumstances surrounding the alleged incident. The Company will make reasonable efforts to keep the investigation confidential. If the investigation discloses that an individual has committed an act of discrimination, that individual shall be subject to appropriate disciplinary action, up to and including termination. Any person who knowingly makes a false claim of discrimination shall also be subject to appropriate disciplinary action including termination.

4. ADA POLICY

LSI strongly supports the policies of the Americans with Disabilities Act and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that statute. The company assesses individuals by their abilities, not their disabilities, and seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. LSI will provide reasonable accommodations to any persons with disabilities who require them and urges employees and applicants who may be disabled and require accommodation to advise the company of their particular needs. Information concerning individuals' disabilities and their need for accommodation will of course be handled with the utmost discretion. The company hopes that all employees will advise the President or other management personnel when they become aware that persons with disabilities have special needs in our workplace.

III. EMPLOYEE RIGHTS & RESPONSIBILITIES

A. Administration

1. Classification

Employees are classified as either exempt (salaried) or nonexempt (hourly). Nonexempt employees are eligible to receive overtime in accordance with relevant state and federal laws for hours worked in excess of eight (8) hours per day for forty (40) hours in one week; whereas exempt employees are not eligible for overtime. An employee must obtain advance written authorization from a supervisor before working overtime. Failure to obtain advance authorization will subject an employee to discipline.

- a. Full-time, Part-time Employees

Full-time employees of LSI are defined as those who are scheduled on a regular basis to work five eight-hour days during each workweek. Employees scheduled to work less than this amount shall be defined as part-time employees. Unless otherwise noted, only regular, full-time employees are eligible for all benefits set forth in this Employee Handbook Manual.

2. Evaluation Period

Every LSI employee must complete an evaluation period of 90 days before becoming a regular full-time employee. During the evaluation period, employees shall not be entitled to fringe benefits. An employee may be terminated during the evaluation period without any harm to the employee's work record. Employees who successfully complete their evaluation period will be considered as a regular employee. At that time, vacation rights will accrue retroactively from the first day of employment.

3. Working Time

The normal workday for all hourly and nonexempt employees will be eight (8) hours of work. The normal workweek for all hourly and nonexempt employees consists of five (5) consecutive workdays, Monday through Friday, making a total of forty (40) hours of work. The typical workday begins at 8:00 AM and ends at 5:00 PM with one hour for lunch.

All exempt employees are expected to work the hours that are required to complete the tasks assigned to them as a function of their jobs. However, every effort should be made to work hours typical to hourly and non-exempt employees. Management may approve special circumstances when deviations to this policy must be considered.

Every nonexempt and hourly employee is expected to start work promptly at 8:00 AM, unless your supervisor has implemented special arrangements or schedule changes.

LSI reserves the right to modify the above schedule to adapt to unusual circumstances.

4. Overtime

Overtime will be paid to nonexempt and hourly employees for all hours actually worked over forty (40) hours/week (Monday to Sunday). Although the Company does not normally require overtime on weekends (Saturdays/Sundays), holidays, early mornings and late evenings, there may be cases when work at such times are necessary for nonexempt employees. In such cases, the Company will generally permit no more than four (4) hours overtime in one day – or a total of twenty (20) hours overtime in one week – for any nonexempt or hourly employee – unless otherwise approved in advance in writing by an employee's supervisor.

Overtime pay for nonexempt and hourly employees will be calculated in accordance with applicable state and federal laws.

A nonexempt or hourly employee who expects to do overtime work must first obtain approval from his/her supervisor. Afterwards, the employee must promptly report the overtime to his/her supervisor.

5. Pay Schedule

All wages and salary will be paid bi-weekly. Pay is processed on Monday, through ADP Payroll Processing, the day after the end of the pay period. The company offers and strongly encourages employees to participate in our direct deposit program. This program is offered for the convenience of our employees. Direct deposits will be submitted employee's bank 12:00am Tuesday morning. If an employee does not use direct deposit, checks are via UPS the day after payroll is processed. UPS normally delivers around 10:00 AM Tuesday. If Monday is a holiday, payroll will be processed next business day.

6. Performance, Salary, and Wage Review

Employees' work performance, job assignment, responsibility and salary level will be reviewed on an annual basis. Salary and wages will be adjusted entirely at the discretion of the Company. An increase in salary level is not automatic.

7. Promotions and Transfers

It is Company policy to seek and select employees who are qualified, dedicated, and who seek the challenge of achieving flexible assignments and broadening their careers.

Promotions are made at LSI's discretion, and are based exclusively upon individual merit, past performance, and demonstrated desire to grow with the Company. How far an employee advances with LSI is based on opportunity and his/her ability, dedication, and enthusiasm.

LSI reserves the right to transfer employees to different positions, jobs, or locations, as may be required by business conditions or other factors.

8. Personnel Records

LSI must maintain accurate and complete information concerning each employee and his/her work history. Employees will benefit by informing the Company promptly of a change of address, telephone number, or insurance beneficiary. It is mandatory to report changes immediately. Lack of compliance with this requirement may subject the employee to discipline.

B. Leaves

1. Non-Paid Leaves of Absence

A leave of absence is an approved absence without pay. Leaves of absence must be requested in writing and will be granted only for special reasons. Only regular full-time employees are eligible for leaves of absence. Time off without pay and leaves of absence for personal reasons will be considered on the basis of the Company requirements and hardships caused thereby, the employee's performance record, the reason for the request, and the employee's length of service with the Company.

The determination of whether the request shall be granted rests solely within the discretion of the Company. If the request is granted, the Company's benefits will cease and contributions for the employee's health insurance plan will become the sole responsibility of the employee during the time of the non-paid leave. Failure of payment for medical insurance coverage will result in termination of coverage. However, the employee will be given the opportunity to convert the policy to individual coverage.

A leave may be granted for personal reasons without pay for a period not to exceed ninety (90) days if the employee has worked at least 1200 hours within the last 12 months.

A leave of absence shall not be considered as time worked for purposes of calculating an employee's entitlement to fringe benefits, if any.

2. Sick Leave / Personal Days

LSI understands that employees require time off for unforeseen sickness/reasons; however, personal days are limited to a maximum of 2 per month. Sick leave is limited to the employee's Sick/Personal day accumulation. Effective the date of completion of the 90-day introductory period, sick and personal days shall begin to accumulate at the rate of one (1) day per three (3) calendar months with a maximum accumulation of 20 days. LSI **requires** any employee who is absent for sickness to present a doctor's certificate. For personal days, LSI must have notice a minimum of 1 week for all court appointments, doctor appointments, etc. You are required to notify your manager of personal time for sick or emergencies a minimum of 30 minutes prior to your shift. If you report to work and become sick, you may also use personal time. Personal time must be used in ½ day increments.

It is the direct responsibility of the employee to notify the Company shortly after the commencement of the first workday of his/her absence. In the case of protracted illness, the employee should report to their supervisor on a periodic basis so that the Company is aware of all circumstances involved in the absence. Failure on the part of the employee to do so may result in discipline including discharge.

If an employee is terminated without cause, any remaining sick leave/personal days will be paid on the final payroll check. If an employee is terminated with cause or quits, any remaining sick leave/personal days will be lost. Temporary or part-time employees including those in the introductory period are not entitled to paid sick leave or paid personal days.

3. Jury Duty

An employee may serve on jury duty or appear in court pursuant to a summons in compliance with State law.

In the event an employee is called for jury duty, the difference between what the employee received for such duties and the amount he/she would have earned at the regular straight time rate of pay will be paid, not to exceed a maximum of ten (10) working days in any one (1) year. Employee must report to work during hours not served as juror during normal scheduled working hours.

4. Military Leave

An employee may leave to fulfill military duties in accordance with all applicable state and federal laws. In the event an employee is called for military service, the re-employment rights shall be governed by the Universal Military Training and Services Act. A leave of absence without pay shall be granted. Vacation time and sick leave hours shall not accrue during such a leave. When ordered to report for military service, the employee shall provide prompt notice to the Company.

5. Special Leaves with Pay

In the event of one of the reasons specified hereunder, LSI will grant its full-time regular employees a special leave for a maximum specified period.

Leave Required For	Available Time Off
Bereavement of spouse, parent or child	4 days
Bereavement of grandparent, brother, sister	3 days
Bereavement of grandparent in law, parent in law, brother in law, sister in law	2 days

6. Vacations

The importance of a vacation as a period of relaxation and change from normal work routine is well recognized. LSI has established vacation benefits to meet those needs. LSI reserves the right to ask all employees to work out a mutually agreed upon vacation schedule so that there will be sufficient attendance during peak vacation periods.

LSI's vacation rules are as follows:

Length of Vacation: LSI's vacation plan provides increasing vacation time in relation to years of service. LSI must have a notice of least 1 week for each 1 day of vacation scheduled.

Period of Employment:	Vacation Entitlement:
Less than 1 year	n/a
More than 1 year and less than 2 years	5 days (40 hours)
>2 years < 3 years	6 days (48 hours)
>3 years < 4 years	7 days (56 hours)
>4 years < 5 years	8 days (64 hours)
>5 years < 10 years	10 days (80 hours)
>10 years	15 days (120 hours)

If an employee is terminated without cause, any remaining vacation will be prorated by day for the remainder. If an employee is terminated with cause, any remaining vacation will be lost.

Any portion of the entitlement that is not used will be lost and will not carry to the next year.

7. Holidays

The following holidays will be given with pay to all regular full-time employees.

New Year's Day
Good Friday - Easter
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Friday after Thanksgiving Day
Christmas Eve
Christmas Day

Holidays falling on Saturdays will be observed the preceding workday. Holidays falling on Sundays will be observed the following workday. If a holiday occurs during an employee's vacation, it will not be included in counting days of his/her entitlement. To receive holiday pay, employee must be at work or on a paid medical leave status the last scheduled workday before and next scheduled workday after the holiday. The company reserves the right to substitute certain holidays for other holidays at its discretion.

C. Miscellaneous Policies

1. Dressing for the Job

In general, employee's choice of work clothing should be governed by good taste, modesty, safety and job requirements. It should also be appropriate for the time, place and activity. Any apparel worn must be of reasonable fitted size. An employee who fails to meet applicable dress and grooming standards may be required to go home with loss of pay to correct any deficiencies.

2. Safety

Safety is everybody's business. Employees should report any unsafe working conditions to their supervisor. All hazardous conditions are to be corrected as soon as possible.

No one gains from an accident, and no one likes to work under conditions that present hazards to life and property. Everybody loses when accidents occur. LSI will maintain a consistent safety program in accordance with state and federal law, but its ultimate success will depend on employee's safety consciousness. According to the Occupational Safety and Health Administration (OSHA), all employees must comply with OSHA standards and all rules, regulations, and orders, which are applicable to their own actions and conduct.

Do not operate machinery without explicit instruction and permission by the appropriate manager or supervisor.

In an effort to insure maximum safety of each individual employee, all company operations should be conducted in conformity with these specific safety practices:

Exercise maximum care and good judgment at all times to prevent accidents and injuries.

Report to supervisors immediately and seek first aid for all injuries, regardless of how minor.

Report unsafe conditions, equipment or practices to supervisory personnel.

Use safety equipment provided by the company at all times.

Observe conscientiously all safety rules and regulations at all times.

Learn to lift the proper way. Bend knees, keep back erect, and get help for heavy loads.

Stack and un-stack materials carefully and keep storage areas in neat order so you know what materials you have at all times.

Never engage in horseplay -- it can end in disaster.

3. Injuries

If you are injured while at work, let a supervisor know, regardless of the severity. The supervisor will take care of the first aid, call the appropriate emergency personnel or transport you to the hospital. It is important to complete forms for Workmen's Compensation expediently in order for any related bills to be covered. Your supervisor will fill out the necessary forms with you.

4. Housekeeping

Maintaining a clean and pleasant working environment is a never-ending job that is everyone's responsibility. The Company asks that you help uphold our high standards by keeping your work area organized and efficient-looking.

5. Personal Property

To maintain the security of the facilities, we must ask that each employee bring minimum personal items other than purses and lunch containers into the office unless specifically approved in advance by his/her supervisor. The Company provides a locker for each labor worker to store his/her personal belongings. The Company will not be responsible for the loss or theft of any personal property on its premises.

6. Travel

LSI will reimburse all reasonable and necessary expenditures incurred by employees on an authorized business trip. Receipts are required for all items and expenditures.

Travel expense reports are due immediately upon conclusion of each trip and a settlement of the traveler's account with LSI is concurrently due.

Advance written supervisory approval is required for all cash advances.

For the use of privately owned cars on Company authorized travel and business, employees will be reimbursed for their mileage at the standard prevailing IRS rate per mile provided that they maintain a record and details of use.

7. Accident Report

If an employee is involved with an accident on the job, resulting in either personal injury or damage to equipment, the Company must be notified immediately. This applies to every personal injury or damage to equipment, no matter how slight.

IV. EMPLOYEE CONDUCT

1. Disciplinary Actions

Our work rules are based on common sense and have been established for everyone's safety and welfare. The Company may terminate an employee at any time for any reason, including serious misconduct. While it is impossible to list rules covering every imaginable incident, the following are samples of some of the situations that may subject the offender to discipline, including discharge, with or without notice:

- a. Stealing or unauthorized removal of Company's property, vendor's property, customer's property or the property of any employee; sabotaging or willfully damaging Company property or the property of others.
- b. Insubordination, inefficiency, or incompetence. This includes lashing out at managers, comments/complaints when management has asked something beyond your normal job duties.
- c. Failure to conform to Company rules, public laws, or health or safety regulations, or engaging in activity that creates a safety hazard.
- d. Possession of intoxicating liquor or any drugs or narcotics or using such items on Company premises, or working while under the influence of liquor, narcotics, or drugs.
- e. Defacing or destruction of Company property or any employee's property on Company premises.
- f. Fighting, using abusive language, or gambling on Company premises.
- g. Smoking/Vaping in prohibited areas.
- h. Leaving the workstation before being relieved or excused by a supervisor.
- i. Excessive absenteeism or tardiness.
- j. No Call No Show. This is when an employee does not notify his/her supervisor of an absence or tardiness.
- k. Divulging any confidential or proprietary information of the Company.
- l. Performing any work outside the Company, which has an adverse effect on LSI, or on the employee's ability to work at the Company.
- m. Falsification of personnel or Company records, including but not limited to, applications, reports, time cards and sales records.
- n. Making threats against the Company or any of its employees.

- o.** Possession of firearms or other weapons on Company premises.
- p.** Disorderly or disruptive conduct on Company premises.
- q.** Harassment or discrimination against other employees.
- r.** Willful and deliberate refusal to follow valid and reasonable work instructions.
- s.** Not following a work order or failure to perform work assigned or to comply with work, safety or security rules.
- t.** Violation of safety rules.
- u.** Leaving work during working hours without permission.
- v.** Employee's may not come in early or stay late for overtime unless requested/approved by management.
- w.** Failure to record correct working hours on time card by punching time clock.
- x.** Habitual use of company phones or personal phones for personal phone calls.
- y.** Excessive, unnecessary, or unauthorized use of company supplies, computers, or equipment, particularly for personal purposes.
- z.** Failure to report a work-related injury or illness.

2. Absence/Tardiness

In the event that a nonexempt employee is going to be absent or late for work, he/she must notify the immediate supervisor within 30 minutes of the start of your shift. He/she must continue to notify the supervisor each day that he/she is absent. Notification of personnel other than your supervisor or other management is not considered notification of the company. Unexcused, habitual, or repeated tardiness or absence for any reason is cause for discipline up to and including termination. Excessive absenteeism is defined as three (3) or more unexcused absences in a ninety (90) day period:

1. First Offense – Written counseling and warning that continued excessive absenteeism will lead to subsequent disciplinary action.
2. Second Offense – Written counseling session and warning that continued excessive absenteeism will lead to termination.
3. Third Offense – Termination.

If an employee is absent due to illness for three (3) consecutive days or more, he/she is required to present a physician's release to the supervisor before reporting to the work station. Any day of absence without notification is cause for discipline including discharge. A Company supervisor may at any time request a physician's release or medical report regardless of length of absence. If an employee is absent for more than three (3) consecutive days without notification to a supervisor he is considered to have severed the employment relationship and will no longer be employed by the Company.

In the event an employee becomes ill during working hours, he/she will be required to report to the supervisor prior to leaving Company premises.

3. Resignation

If an employee wishes to resign his/her employment, it is required that a letter of resignation be submitted to the supervisor at least two weeks in advance of the resignation date.

The Company may elect to waive the notice period and request that the employee's resignation become effective upon receipt of the employee's written notice of resignation. The employee will be paid any unused vacation. The employee will be responsible for any unpaid medical insurance premiums, which will be withheld from final check.

4. Confidentiality

Employees shall not during the term of employment or at any time after termination, without the prior written consent of LSI, disclose to any person, corporation, business or other legal entity, for any purpose whatsoever, any business, financial, technical or other information of LSI of a confidential nature or not generally or publicly known, or endeavor to entice away from LSI any customer or any person, firm or corporation in the habit of dealing with LSI.

The term "LSI" as used herein includes LSI, its parent and affiliates, their successors in interest and/or assigns.

5. Work Rules – Summary Table

This table is a summary of the work rules and disciplinary procedures discussed in this handbook. The table is included in this section to communicate as clearly as possible what is expected of employees but cannot cover every aspect of conduct on the job. In some situations, disciplinary action may begin at an advanced step. Once again, it is a guideline and not a contract.

General Subject	Work Rule Violation	Disciplinary Action			
		<i>Verbal Warning</i>	<i>Written Warning</i>	<i>Final Written Warning</i>	<i>Termination of Employment</i>
Safety	Failure to follow established safety procedures and practices.	X	X	X	X
Conduct	Smoking in unauthorized areas.	X	X	X	X
	Use of or illegal possession of alcoholic beverages or drugs during working hours and on company property.				X
	Verbal or physical abuse of customers and/or vendors.				X
	Physical violence or threat of physical violence during workday on company property except in self-defense.				X

General Subject	Work Rule Violation	Disciplinary Action			
		<i>Verbal Warning</i>	<i>Written Warning</i>	<i>Final Written Warning</i>	<i>Termination of Employment</i>
	Possession of firearms, weapons or explosives on company property.				X
	Gambling during workday and on company property.	X	X	X	X
	Reporting to work under the influence of drugs or alcohol.				X
Attendance	Failure to report for or begin work on a scheduled workday without proper notification of supervisor.		X	X	X
	Excessive absenteeism.	X	X	X	X
	Failure to call in for 3 consecutive work days.				X
Tardiness	Failure to report for work at the scheduled time without proper notification of supervisor.		X	X	X
	Overstaying lunch or other authorized break periods without prior approval of supervisor.		X	X	X
Honesty	Theft of company property or funds.				X
	"Borrowing" from company cash funds (includes IOUs, holding employee checks, etc.).				X
	Falsification of employment application.				X
Work	Gross misconduct (includes horseplay resulting in injury).				X
	Refusal to do assigned work.		X	X	X
	Failure to follow supervisory instructions.		X	X	X

V. EMPLOYEE BENEFITS

A. Medical Insurance

LSI may provide a substantial percentage of the premium for full-time employees with major medical insurance coverage 30 days post hire. For additional information about this benefit, please consult the medical insurance booklet, which will be provided to you.

An employee's portion of the premium and 100% of any spouse or dependent the employee adds for coverage will be deducted from the first payroll check/direct deposit of each month and will cover medical insurance premiums for that month.

Any request of changes or cancellations to your medical insurance will not commence until the 1st of any given month.

VI. GRIEVANCE POLICY

It is very important that an employee voice any problem or difficulty that they are experiencing on the job. Open communication and discussion are valuable tools in maintaining a healthy working environment. Working as a team is vital to the successful operation of the business.

If an employee has a problem or conflict that they cannot resolve, it is important to address it immediately.

If an employee has a particular grievance with a fellow employee, it is necessary to submit this grievance in writing to your supervisor within fifteen days of an incident or of a problem arising. If not satisfactorily resolved, the employee may appeal the supervisor's decision in writing within fifteen days to the general manager. If the grievance is against the employee's supervisor, it should be submitted in writing directly to the President. If the grievance is still not resolved, a committee consisting of two peers and two managers will be convened to hear and resolve the grievance.

If the situation warrants it, a professional in conflict resolution or mediation will be utilized.

VII. DRUGS AND ALCOHOL POLICY

1.0 Purpose

The purpose of this policy is to establish procedures for the administration of the Department of Transportation (DOT) anti-drug and alcohol program pursuant to DOT's agencies regulation. This policy will adhere to Code of Federal Regulations (CFR) Title 49 that outlines DOT requirements. This policy also establishes a drug and alcohol testing program for safety sensitive positions of Logistech Solutions that do not fall into one of the DOT mandated programs.

Any applicant applying for a position covered in this policy who refuses or fails a pre-employment drug test will not be hired, except as provided for in Section 6.0. Any employee covered by this policy who so refuses or fails a drug or alcohol test will immediately be removed from the safety sensitive functions covered by the DOT standards or Logistech

Solutions Policy. Any employee covered by this policy who refuses or fails a drug or alcohol test may receive disciplinary action, up to and including termination.

Participation in this policy shall be a requirement of employment for any employee covered by the policy.

2.0 Employee Positions Covered by the Policy

2.1 All employees of Logistech Solutions are subject to this policy. All employees are subject to the following types of drug and alcohol testing: pre-employment as described in Section 4.1, post-accident as described in Sections 4.3 and 14.0, reasonable suspicion as described in Section 4.4, and return-to-duty as described in Section 4.5. All employees listed in Section 2.2 are subject to all of the tests listed above as well as random drug and alcohol testing as described in Section 4.2.

2.2 Employees occupying positions that have a Commercial Driver's License are subject to Federal Highway Regulations (49 CFR Part 382).

2.2.1 Any employee of a Logistech Solutions Contractor who performs a safety-sensitive function under DOT regulations.

3.0. Training

3.1 Supervisory Training:

All supervisors of positions listed above as being covered by a DOT anti-drug/alcohol regulation shall receive training for detecting symptoms of drug use and alcohol misuse.

3.2 Employee Training:

All employees in positions covered by a DOT anti-drug/alcohol regulation shall be given training on the requirements of the drug and alcohol testing regulations and Logistech Solutions policies and procedures with respect to meeting these requirements. All such employees will also be given training on the effects and consequences of substance abuse on personal health, safety, and the work site, as well as indicators of substance abuse.

4.0 Types of Drug and Alcohol Testing

Employees subject to this drug and alcohol testing program are required to be tested under the following five types of tests:

4.1 Pre-employment testing.

4.1.1 A pre-employment drug test will be conducted when an individual is hired for any position with the Logistech Solutions.

4.1.2 A pre-employment drug test will be conducted when a current employee transfers from a position not covered by DOT regulations into a position covered by DOT regulations. An employee who was previously separated from an anti-drug program position will be pre-employment tested prior to performing a safety-sensitive function covered by this policy.

4.1.3 Only applicants who are offered a position covered by this policy will be tested before being employed. Pre-employment job applicants who test positive will not be hired and do not have the right to have their samples retested except as provided for under Section 6.0. Employees transferring into a position requiring drug testing who tests positive do have the right to have their sample retested. Employees who fail a drug test will not be hired for the position requiring drug testing. If applicant's drug test is positive, Logistech Solutions will refer to the MRO for review (see Section 6 - Medical Review Officer).

4.1.4 An employee who transfers from one position covered by this policy to another covered by this policy does not require pre-employment testing.

4.1.5 Employees working in a position covered by this policy on the effective date and continue to work in a covered position do not require a pre-employment test.

4.2. Random Testing

4.2.1 All employees working in a position covered by a DOT regulation listed in Section 2.2 are subject to unannounced testing based on random selection. This includes temporary employees performing in a covered position.

4.2.2 Logistech Solutions will randomly drug test at least fifty percent (50%) of employees covered by a DOT regulation every twelve (12) months. All persons will be subject to be randomly picked for drug testing at each random testing date. A person may be randomly picked more than once or not picked at all during the annual period. The percentage of covered employees to be tested in any one year is subject to change by notification of the DOT Agency Official after review of the past year's violation record for the entire industry. If such a change is to be made, notification to employees shall be given at least sixty (60) days in advance of such change.

4.2.3 Logistech Solutions will randomly alcohol test at least twenty-five percent (25%) of covered employees every twelve (12) months. All persons will be subject to be randomly picked for alcohol testing at each random testing date. A person may be randomly picked more than once or not picked at all during the annual period. The percentage of covered employees to be tested in any one year is subject to change by notification of the DOT Agency Official after review of the past year's violation record for the entire industry. If such a change is to be made, notification to employees shall be given at least sixty (60) days in advance of such change.

4.2.4 To assure that the selection process is random, all employees covered by a particular DOT Agency Regulation will be placed in a common pool. All full-time and temporary employees will be in this pool.

4.2.5 The random selection procedure will be selected by a computer-based number generation system.

4.2.6 The selection procedure will select sufficient additional numbers (names) to be used to reach the appropriate testing level during each test period. These alternate numbers (names) will be tested in order of selection only if persons selected are unavailable for testing due to vacations and medical leave.

4.3 Post Accident/Unsafe Activity Testing

4.3.1 Any Employee who has an accident or engages in an unsafe work-related activity, whether directly or indirectly on a company owned vehicle, equipment, or equipment contracted to Logistech Solutions, will be required to submit to drug and alcohol test.

There are six circumstances in which an employee will be tested:

1. Involves a fatality;
2. An incident causing bodily injury which requires immediate medical treatment, on or away from the scene of the accident for anyone involved;
3. Any vehicle or equipment that is towed or rendered inoperative;
4. A citation is issued within 8 hours of the occurrence under State or local law for a moving traffic violation arising from the accident, if the accident involved at least one of the items listed above.
5. An incident causing a total aggregate property damage of at least \$2,000
6. Has had 3 accidents within a 12-month period: or at the discretion of Logistech Solutions Management.

Post-accident/unsafe activity testing will be conducted as soon as possible after an accident or unsafe activity. An employee who is subject to post-accident/unsafe activity testing will not be permitted to drive himself or herself to the testing facility. He or she will be escorted to the testing facility by a supervisor or other member of management. An employee must not use alcohol following an accident or unsafe activity for which a post-accident / unsafe activity alcohol test is required until the alcohol test has been conducted.

If the employee is too seriously injured to provide the specimen or sample, authorization must be provided for Logistech Solutions to obtain and review hospital records or other documents that would indicate whether there were any prohibited drugs or alcohol in the employee's system at the time of the accident or unsafe activity

4.3.2 The employee will be drug tested as soon as possible, but not later than 32 hours after the accident. Because certain drugs or drug metabolites do not remain in the body for extended periods of time, testing should be as soon as possible. The employee will be tested for alcohol as soon as possible but within eight (8) hours of the accident.

4.3.3 An "accident" requiring drug and alcohol testing under Federal Highway Administration regulations is one involving death or a citation being issued for a moving violation arising from the accident (49 CFR 382.303).

4.3.4 All reasonable steps will be taken to obtain a urine sample from an employee after an accident. In case of a hospitalized employee, the hospital or medical facility will be requested to obtain a sample, and if necessary, reference will be made to the DOT drug testing requirements and this policy.

4.3.5 If an employee who is subject to post-accident testing is conscious, able to urinate normally (in the opinion of a medical professional) and refuses to be tested, that employee will be removed from duty as an employee covered by this policy, will not return to duty until he or she is tested, and is subject to disciplinary action up to and including termination.

4.3.6 Due to the nature of the statutory and internal policy requirements for drug and alcohol, timely testing of accidents is crucial. All accidents (including those in 4.3.3 above or 14.1 below) shall be reported to the employee's supervisor immediately. Failure to

immediately notify a supervisor shall result in an automatic suspension from work without pay and depending upon the severity of the accident may result in additional disciplinary action up to and including termination. The supervisor of an employee involved in an accident (as defined 4.3.3 above or 14.1 below) shall immediately notify the Logistech Solutions Safety and Risk Manager or his or her designee. Failure of a supervisor to immediately notify the Safety and Risk Manager or his or her designee shall result in an automatic suspension from work without pay and depending upon the severity of the accident, may result in additional disciplinary action up to and including termination.

4.4 Reasonable Suspicion Testing

If Logistech Solutions has a reasonable suspicion that an employee has used prohibited drugs or alcohol in violation of this Policy or is under the influence of prohibited drugs or alcohol at the workplace, the employee may be required to submit a urine sample, breath sample, saliva sample, or other sample or specimen for drug and/or alcohol testing immediately upon request by the employee's supervisor.

The decision to test an employee will be based on specific, contemporaneous, articulable observations concerning the appearance, behavior, or body odor of the employee, or performance indicators of probable prohibited drug use and/or alcohol misuse. This may include involvement in any unusual circumstance that merits further investigation, conduct exhibiting less than total consciousness or self-control, violence, difficulty in performing normal tasks, and other behavior for which there appears to be no explanation. If possible, the reasonable suspicion observations should be corroborated by a manager-witness.

An employee who is subject to reasonable suspicion testing will not be permitted to drive himself or herself to the testing facility. He or she will be escorted to the testing facility by a supervisor or other member of management.

Follow-Up Testing. If for some reason an employee who has tested confirmed positive for prohibited drugs or alcohol is permitted to return to duty, as a condition of the employee's return, he or she first must be evaluated by a substance abuse professional acceptable to Logistech Solutions and participate in any treatment program prescribed by the substance abuse professional. The employee also may be required to execute and comply with any Last Chance Assistance Agreement or similar agreement required by Logistech Solutions and will be subject to unannounced follow-up drug and/or alcohol testing for up to 24 months after his or her return to duty. Logistech Solutions may coordinate with the substance abuse professional performing the evaluation to establish the number and frequency of these tests.

4.5 Return to duty testing

4.5.1 An employee who fails a drug or alcohol test or refuses a test must be evaluated by a substance abuse professional.

4.5.2 An employee who, at the recommendation of the Medical Review Officer (MRO), returns to work will be given unannounced drug and alcohol tests. The schedule and frequency of these tests will be recommended by the substance abuse professional or the

MRO to the Safety and Health Division. These tests are in addition to the other types of tests stated in this policy.

4.5.3 The time period for “return to duty” testing will not be more than sixty (60) months. A reasonable minimum is 12 months. This period will be determined by the Safety and Health Division with recommendations by the substance abuse counselor and/or the MRO.

4.5.4 Testing will be on a daily, weekly, monthly, or longer basis at the discretion of Logistech Solutions.

5.0 Testing Procedures

5.1 Drug Testing Procedures

5.1.1 Drug testing will be performed utilizing urine samples.

5.1.2 The drug tests will include testing for marijuana, cocaine, opiates, amphetamines and phencyclidine.

5.1.3 An applicant who is offered a position covered by this policy will be required to report to the drug testing collection site specified in Section 6 of this policy prior to hire and provide a specimen of his/her urine.

5.1.4 Upon notification that a drug test is required, an employee will report as soon as possible but no later than 24 hours (32 hours for post-accident) after notification to the drug collection site and provide a specimen of his/her urine.

5.1.5 The collection agency shall adhere to all requirements outlined in 49 CFR Part 40, Procedures for Transportation Workplace Drug Testing Program.

5.2 Alcohol Testing Procedures

5.2.1 Alcohol testing will be conducted using an Evidential Breath Testing device (EBT) authorized by DOT as evidenced by its inclusion on NHTSA’s Conforming Products List.

5.2.2 Alcohol testing shall be conducted by a DOT certified Breath Alcohol Technician.

5.2.3 Alcohol testing will be conducted by the contracted Third-Party Administrator (TPA) of Logistech Solutions.

5.2.4 Screening Tests - All breath alcohol tests shall begin with a screening test. If the results of the screening test indicate an alcohol concentration below .02, no further testing will be required and the employee will be given a copy of the results of the test.

5.2.5 Confirmation Tests - If the screening test indicates a concentration greater than .02, a confirmation test shall be conducted. The confirmation test shall be conducted at least 15 minutes, but not more than 20 minutes after the completion of the screening test. An air blank test shall be performed prior to all confirmation tests to insure the proper working condition of the unit. After all, „positive” confirmation tests, a calibration check of the EBT shall be conducted and the results recorded. If the confirmation test cannot be conducted

within 20 minutes of the screening test, the testing process must begin anew with a second screening followed by the appropriate waiting period and then a confirmation test.

5.2.6 In order to assure that test results are attributed to the correct safety-sensitive employee, the BAT shall show the employee the sequential test number assigned to the employee's test by the EBT and shall provide the employee with a print out of the test results indicating that the results are for the correct test number indicated above.

6.0 Medical Review Officer (MRO)

6.1 The MRO for this policy shall be contracted by the TPA of Logistech Solutions.

6.2 MRO Duties. The MRO shall perform the following functions for TPA / Logistech Solutions:

6.2.1 Review the results of drug testing before they are reported to Logistech Solutions.

6.2.2 Review and interpret each confirmed positive test result as follows to determine if there is an alternative medical explanation for the confirmed positive test result:

6.2.2.1 Conduct a medical interview with individual tested.

6.2.2.2 Review the individual's medical history and any relevant biomedical factors.

6.2.2.3 Review all medical records made available by the individual tested to determine if a confirmed positive test resulted from legally prescribed medication.

6.2.2.4 If necessary, require that the original specimen be reanalyzed to determine the accuracy of the reported test result

6.2.2.5 Verify that the laboratory report and assessment are correct.

6.2.3 Recommend whether and when an employee who refused to take or did not pass a drug test administered under DOT Procedures may be returned to duty.

6.2.4 Recommend a schedule of unannounced testing for an employee who has returned to duty.

6.2.5 Ensure that an employee has been drug tested in accordance with the DOT Procedures before the employee returns to duty.

6.3 MRO Determinations

6.3.1 If the MRO determines, after appropriate review, that there is a legitimate medical explanation for the confirmed positive test result other than the unauthorized use of a prohibited drug, the MRO is not required to take further action.

6.3.2 If the MRO determines, after appropriate review, that there is no legitimate medical explanation for the confirmed positive test result other than the unauthorized use of a prohibited drug, the MRO shall refer the individual tested to an employee assistance program, or to a personal or administrative officer for further proceedings in accordance with Logistech Solutions anti-drug program.

6.3.3 Based on a review of laboratory inspection reports, quality assurance and quality control data, and other drug test results, the MRO may conclude that a particular drug test result is scientifically insufficient for further action. Under these circumstances, the MRO should conclude that the test is negative for the presence of a prohibited drug or drug metabolite in an individual's system.

7.0 Drug Testing Laboratory

7.1 The drug testing laboratories for this policy shall be contracted by the TPA of Logistech Solutions.

7.2 The testing laboratory will comply with all methods and procedures of 49 CFR Part 40 and will provide annual reports to the TPA showing compliance.

8.0 Collection Agent

8.1 The collection agents for this policy shall be contracted by the TPA of Logistech Solutions.

8.2 The collection agent will comply with all methods and procedures of 49 CFR Part 40 and will provide annual reports to Logistech Solutions showing compliance.

9.0 Reserved for Future Use

10.0 Record keeping

10.1 The TPA of Logistech Solutions will keep the following records for the periods specified. These records will be maintained by the TPA in a location and in a manner that is in accordance of applicable laws and procedures.

10.1.1 Records that demonstrate the collection process conforms to Part 199 will be kept for a minimum of 3 years.

10.1.2 Records of employee drug test results that show employees failed a drug test, and the type of test failed and records that demonstrate rehabilitation, if any, will be kept for a minimum of 5 years, and include the following information:

10.1.2.1 The functions performed by each employee who fails the drug test.

10.1.2.2 The prohibited drugs which were used by each employee who fails the drug test.

10.1.2.3 The disposition of each employee who fails the drug test (e.g. termination, rehabilitation, leave without pay, etc.).

10.1.3 Records of employee drug test results that show employee passed a drug test will be kept for a minimum of 1 year.

10.1.4 A record of the number of employees tested by type of test will be kept for a minimum of 5 years.

10.1.5 Records confirming that supervisors and employees have been trained as required by this policy will be kept for a minimum of 3 years. Training records will include copies of all training materials.

10.1.6 Test results will not be furnished to any other person without the express written consent of the tested employee, except as specified in this Policy or as required or permitted by law.

11.0 Confidentiality

Each individual's record of testing and results under this policy will be maintained private and confidential as provided by North Carolina General Statute 160A-168 and 42 USC 12112(c).

12.0 Prohibited Behavior

12.1 All employees of Logistech Solutions shall not use or ingest prohibited drugs at any time.

12.2 Employees shall not consume alcohol while performing a safety sensitive function, four (4) hours before performing a safety-sensitive function, and up to eight (8) hours following an accident or until the employee undergoes a post-accident test, whichever occurs first.

12.3 Employees shall not refuse to submit to a test. Behavior that constitutes a refusal to submit to a test shall include refusing to give a specimen (breath or urine), inability to provide sufficient quantities of specimen (breath or urine) without a valid medical explanation, tampering with or attempting to adulterate the specimen (breath or urine) or collection procedure, not reporting to the collection site in the time allotted, or leaving the scene of an accident without a valid reason before the tests have been conducted.

12.4 Any employee who refuses to submit to a test, has a verified positive drug test result, or has an alcohol concentration of 0.02 or greater, shall be immediately removed from performing a safety-sensitive function and is subject to disciplinary action, up to and including termination. Any employee who refuses to submit to a test, has a verified positive drug test result, or has an alcohol concentration of .04 or higher must also be evaluated by a substance abuse professional and must be recommended by the professional to return to duty if Logistech Solutions elects to retain the employee.

13.0 Policy Questions

13.1 Any employee with a question about this policy or the procedures required herein should direct those questions to their supervisor or to Senior Management of Logistech Solutions

VIII. ACKNOWLEDGMENTS

I acknowledge receipt of The Employee Handbook Manual. I understand the statements contained in this handbook are for general informational purposes. Nothing contained in this handbook is intended to create, nor shall it be construed as, creating an express or implied contract or guarantee of employment for a definite or indefinite time.

I understand the following:

1. That my employment is governed by the contents of this Handbook and that it is my responsibility to familiarize myself with and understand all information contained therein;
2. That this Handbook is not an employment contract nor an agreement guaranteeing employment for any specific period of time, and further that any employee may voluntarily leave the Company and the Company may terminate the employment of any individual at any time for any reason; and
3. That the Company has the right to modify or deviate from the policies described herein at any time without notice and those changes can be made by the Company in its sole discretion.
4. I have received, read and understand the information outlined in this handbook and have asked any questions that may have concerning its contents. I understand that this handbook supersedes all previous handbooks.

Employee Name (please print)

Signature

Date: _____

*A copy of this acknowledgment must be signed and
returned to General Manager for each employee's file.*