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EMPLOYEE HANDBOOK

SKYMAIL INTERNATIONAL, INC.

SKYMAIL EMPLOYEE HANDBOOK

JANUARY 2019

SKYMAIL INTERNATIONAL, INC.

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ABOUT THIS HANDBOOK

We prepared this handbook to help employees find the answers to many questions they may have regarding your employment with Skymail International, Inc. Please take the necessary time to read it.

We do not expect this handbook to answer all questions. Supervisors and Human Resources also serve as a significant source of information.

Neither this handbook nor any other verbal or written communication by a management representative is, nor should be considered as, an agreement, contract of employment, express or implied, or a promise of treatment in any particular manner in any given situation, nor does it confer any contractual rights whatsoever. Skymail International, Inc. adheres to the policy of employment at will, which permits the Company or the employee to end the employment relationship at any time, for any reason, with or without cause or notice.

No Company representative other than the President may modify at-will status and/or provide any special arrangement concerning terms or conditions of employment in an individual case or generally and any such modification must be in a signed writing.

Many matters covered by this handbook, such as benefit plan descriptions, are also described in separate Company documents. These Company documents are always controlling over any statement made in this handbook or by any member of management.

This handbook states only general Company guidelines. The Company may, at any time, in its sole discretion, modify or vary from anything stated in this handbook, with or without notice, except for the rights of the parties to end employment at will, which may only be modified by an express written agreement signed by the employee and the President.

This handbook supersedes all prior handbooks.



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Section 1 • Governing Principles of Employment

1.1 Introduction

01-01-2019

For team members who are commencing their careers with Skymail International, Inc. allow me, along with all the team members at Skymail International, Inc, be the first to extend you a warm and sincere welcome.

For team members who have been with us, thank you for your past and continued service.

As a team member of Skymail International, Inc., the importance of your contribution cannot be overstated. Skymail's mission is to, ALWAYS, provide the finest-quality printing, mailing, and shipping services to our customers. Our team members are a vital part of this process. Your hard work and dedication to your career directly influences our company's reputation and success.

I extend my personal best wishes for your success and happiness here at Skymail International, Inc. We sincerely believe that it is our team members who provide the services that our customers rely upon, and it is our team members who will enable us to create new career opportunities in the years to come.

Best of luck with your careers at Skymail International, Inc. and I look forward to working with each of you.

Sincerely,



Mike Jones, President/CEO

1.2 Nature of Employment

01-01-2019

This handbook is provided to Company employees to help them become acquainted with Skymail. This handbook contains no promises or guarantees of any kind by Skymail regarding employment, benefits or anything else. Further, nothing in this handbook may be construed as creating express or implied contractual conditions for terms of work or as guaranteeing employment for any duration.

Nothing contained in this handbook creates an express or implied contract of employment. No Supervisor or representative of the Company has any authority to make any promise regarding the duration, conditions, or terms of your employment which is inconsistent with the information in this handbook and this disclaimer, or to alter the at-will relationship. Only a separate, express written agreement signed by the President of the Company and designated as an employment contract, or collective bargaining agreement, can create any such contract and change the at-will nature of the employment relationship. The relationship between you and the Company is referred to as 'employment at will.' This means that your employment can be terminated at any time for any reason, with or without cause, with or without notice, by you or the Company. No representative of the Company has authority to enter into any agreement contrary to the foregoing 'employment at will' relationship.

Skymail may unilaterally make exceptions, add to, delete from, or modify policies and procedures contained in this handbook at any time, without notice, and at the sole discretion of the Company. Skymail also reserves the exclusive right and authority to interpret, apply, and enforce the provisions of this handbook, and to determine whether a violation of any of the Company's policies has occurred. No other provision of this handbook or any other Company policy or procedure may be used or interpreted to limit or alter this discretionary right or the at-will employment status in any way.

1.3 Equal Employment Opportunity

01-01-2019

Skymail International, Inc. is an Equal Opportunity Employer that does not discriminate on the basis of actual or perceived race, color, religion, national origin, citizenship status, age (40 and over), disability, sex, sexual orientation, genetic information, pregnancy, childbirth, pregnancy-related condition, AIDS/HIV, or any other characteristic protected by applicable federal, state or local laws. Our management team is dedicated to this policy with respect to recruitment, hiring, placement, promotion, transfer, training, compensation, benefits, employee activities and general treatment during employment.

The Company will endeavor to make a reasonable accommodation, under certain circumstances, to known physical or mental limitations of qualified employees with disabilities unless the accommodation would impose an undue hardship on the operation of our business. An employee that qualifies for leave under the ADA as a reasonable accommodation will not be punished for legitimate absences from work. If employees need assistance to perform their job duties because of a physical or mental condition, please let the Head of Human Resources know.

The Company will endeavor to accommodate under certain circumstances the sincere religious beliefs of its employees to the extent such accommodation does not pose an undue hardship on the Company's operations. If employees wish to request such an accommodation, they should speak to the Head of Human Resources.

Any employees with questions or concerns about equal employment opportunities in the workplace are encouraged to bring these issues to the attention of the Head of Human Resources. The Company will not allow any form of retaliation against individuals who raise concerns of equal employment opportunity. If an employee feels he or she has been subjected to any such retaliation, he or she should bring it to the attention of the Head of Human Resources. To ensure our workplace is free of artificial barriers, violation of this policy including any improper retaliatory conduct will lead to discipline, up to and including discharge. All employees must cooperate with all investigations.

1.4 Non-Harassment

01-01-2019

It is Skymail International, Inc.'s policy to prohibit intentional and unintentional harassment of any individual by another person based on any protected classification including, but not limited to, race, color, national origin, disability, religion, marital status, veteran status, sexual orientation or age. The purpose of this policy is not to regulate our employees' personal morality, but to ensure that in the workplace, no one harasses another individual.

If an employee feels that he or she has been subjected to conduct which violates this policy, he or she should immediately report the matter to the Head of Human Resources. If the employee is unable for any reason to contact this person, or if the employee has not received a satisfactory response within five (5) business days after reporting an incident of what the employee perceives to be harassment, the employee should contact the General Manager. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be thoroughly investigated, and corrective action will be taken where appropriate. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management as well as witnesses or others who cooperate in the investigations of such reports in accordance with this policy. If an employee feels he or she has been subjected to any such retaliation, he or she should report it in the same way the employee would state a claim of perceived harassment under this policy. All complaints will be kept confidential to the extent

possible, but confidentiality cannot be guaranteed. Identities will be revealed only on a need-to-know basis. The process must be fair for both the person making the harassment claim and the individual who is being accused. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

1.5 Sexual Harassment

01-01-2019

It is Skymail International, Inc.'s policy to prohibit harassment of any employee by any Supervisor, employee, customer or vendor based on sex or gender. The purpose of this policy is not to regulate personal morality within the Company. It is to ensure that at the Company all employees are free from sexual harassment. While it is not easy to define precisely what types of conduct could constitute sexual harassment, examples of prohibited behavior include unwelcome sexual advances, requests for sexual favors, obscene gestures, displaying sexually graphic magazines, calendars or posters, sending sexually explicit e-mails, text messages and other verbal or physical conduct of a sexual nature, such as uninvited touching of a sexual nature or sexually related comments. Depending on the circumstances, improper conduct also can include sexual joking, vulgar or offensive conversation or jokes, commenting about an employee's physical appearance, discussion about your own or someone else's sex life, or teasing or other conduct directed toward a person because of his or her gender which is sufficiently severe or pervasive to create an unprofessional and hostile working environment.

If the employee feels that he or she has been subjected to conduct which violates this policy, the employee should immediately report the matter to the Head of Human Resources. If unable for any reason to contact this person, or if the employee has not received a satisfactory response within five (5) business days after reporting any incident of perceived harassment, the employee should contact the General Manager. If the person toward whom the complaint is directed is one of the individuals indicated above, the employee should contact any higher-level manager in his or her reporting hierarchy. Every report of perceived harassment will be fully investigated, and corrective action will be taken where appropriate. In addition, the Company will not allow any form of retaliation against individuals who report unwelcome conduct to management as well as witnesses or others who cooperate in the investigations of such reports in accordance with this policy. If an employee feels that he or she has been subjected to any such retaliation, the employee should report it in the same way a claim of perceived harassment would be reported under this policy. All complaints will be kept confidential to the extent possible, but confidentiality cannot be guaranteed. Identities will be revealed only on a need-to-know basis. The process must be fair for both the person making the harassment claim and the individual who is being accused. Violation of this policy including any improper retaliatory conduct will result in disciplinary action, up to and including discharge. All employees must cooperate with all investigations.

1.6 Drug and Alcohol-Free Workplace

01-01-2019

To help ensure a safe, healthy and productive work environment for our employees and others, to protect Company property, and to ensure efficient operations, the Company has adopted a policy of maintaining a workplace free of drugs and alcohol. This policy applies to all employees and other individuals who perform work for the Company.

The unlawful or unauthorized use, abuse, solicitation, theft, possession, transfer, purchase, sale or distribution of controlled substances, drug paraphernalia or alcohol by an individual anywhere on Company premises, while on Company business (whether on Company premises) or while representing the Company, is strictly prohibited. Employees and other individuals who work for the Company also are prohibited from reporting to work or working while they are using or under the influence of alcohol or any controlled substances, which may impact an employee's ability to perform his or her job or otherwise pose safety concerns, except when the use is pursuant to a licensed medical practitioner's instructions, and the licensed medical practitioner authorized the employee or individual to report to work. However, this does not extend any right to report to work under the influence of medical marijuana or to use medical marijuana as a defense to a positive drug test, to the extent an employee is subject to any drug testing requirement, to the extent permitted by and in accordance with applicable law. This restriction does not apply to responsible drinking of alcohol at business meetings and related social outings. Violation of this policy will result in disciplinary action, up to and including discharge.

Testing

To help ensure a safe and healthy working environment, employees will be asked to provide body substance samples such as urine, hair, breath, or blood to test for illicit or illegal use of drugs and alcohol.

Skymail may send employees for testing to an authorized third-party medical testing facility under any of the following circumstances:

Pre-Employment – Prospective employees following an initial offer of employment

Random – Employees randomly selected for testing.

For Cause – The company has reasonable suspicion the employee may be under the influence of drugs or alcohol.

Post-Accident – Employees involved in a worksite accident or injury.

Violations of this policy including; failure to pass, refusal to submit to testing, or attempts to circumvent, alter or falsify a drug screening will lead to immediate disciplinary action up to and including termination of employment.

Non-discrimination

The Company maintains a policy of non-discrimination and will endeavor to make reasonable accommodations to assist individuals recovering from substance and alcohol dependencies, and those who have a medical history which reflects treatment for substance abuse conditions. However, employees may not request an accommodation to avoid discipline for a policy violation. We encourage employees to seek assistance before their substance abuse, or alcohol misuse renders them unable to perform the essential functions of their jobs or jeopardizes the health and safety of any Company employee, including themselves.

If you have questions about our drug testing policy or its administration, consult with the Human Resources Department.

1.7 Workplace Violence Prevention

01-01-2019

Skymail International, Inc. is firmly committed to providing a safe workplace. The purpose of this policy is to minimize the risk of personal injury to employees and damage to Company and personal property.

We do not expect employees to become experts in psychology or to physically subdue a threatening or violent individual. Indeed, we specifically discourage employees from engaging in any physical confrontation with an intense or potentially violent individual. However, we do expect and encourage employees to exercise reasonable judgment in identifying potentially dangerous situations.

Experts in the mental health profession state that prior to engaging in acts of violence, troubled individuals often exhibit one or more of the following behaviors or signs: over-resentment, anger and hostility; extreme agitation; making ominous threats such as bad things will happen to a particular person, or a catastrophic event will occur; sudden and significant decline in work performance; irresponsible, irrational, intimidating, aggressive or otherwise inappropriate behavior; reacting to questions with an antagonistic or overtly negative attitude; discussing weapons and their use, and/or brandishing weapons in the workplace; overreacting or responding harshly to changes in Company policies and procedures; personality conflicts with co-workers; obsession or preoccupation with a co-worker or Supervisor; attempts to sabotage the work or equipment of a co-worker; blaming others for mistakes and circumstances; or demonstrating a propensity to behave and react irrationally.

Prohibited Conduct

Threats, threatening language or any other acts of aggression or violence made toward or by any Company employee WILL NOT BE TOLERATED. For purposes of this policy, a threat includes any verbal or physical harassment or abuse, any attempt at intimidating or instilling fear in others, menacing gestures, flashing of weapons, stalking or any other hostile, aggressive, injurious or destructive action undertaken for the purpose of domination or intimidation.

Procedures for Reporting a Threat

All potentially dangerous situations, including threats by co-workers, should be reported immediately to any member of management with whom the employee feels comfortable. Reports of threats may be maintained confidentially to the extent maintaining confidentiality does not impede our ability to investigate and respond to the complaints. All threats will be promptly investigated. All employees must cooperate with all investigations. No employee will be subjected to retaliation, intimidation or disciplinary action as a result of reporting a threat in good faith under this policy.

If the Company determines, after an appropriate good faith investigation, that someone has violated this policy, the Company will take swift and appropriate corrective action.

If an employee is the recipient of a threat made by an outside party, that employee should follow the steps detailed in this section. It is essential for us to be aware of any potential danger in our offices. Indeed, we want to take effective measures to protect everyone from the threat of a violent act by an employee or by anyone else.

Section 2 • Operational Policies

2.1 Employee Classifications

01-01-2019

For purposes of this handbook, all employees fall within one of the classifications below.

- **Full-Time Employees** - Employees who regularly work at least 30 hours per week who were not hired on a short-term basis.
- **Part-Time Employees** - Employees who regularly work fewer than 30 hours per week who were not hired on a short-term basis.
- **Casual / Seasonal / Temporary Employees** - Employees who were hired for a specific short-term project, or on a short-term freelance, per diem or temporary basis. Casual Employees generally are not eligible for Company benefits but are eligible to receive statutory benefits.

In addition to the above classifications, employees are categorized as either "exempt" or "non-exempt" for purposes of federal and state wage and hour laws. Employees classified as exempt do not receive overtime pay; they generally earn the same weekly salary regardless of hours worked. The employee will be informed of these classifications upon hire and informed of any subsequent changes to the classifications.

2.2 Introductory Period

01-01-2019

The first ninety (90) days of your employment is an introductory period. This is an opportunity for the Company to evaluate the employee's performance. If you are promoted or transferred within Skymail, you may be asked to complete a secondary introductory period of the same length when you assume the new position. It also is an opportunity for the employee to decide whether he or she is happy being employed by the Company. The Company may extend the introductory period if it desires. Completion of the introductory period does not alter an employee's at-will status.

Skymail International, Inc. will conduct a formal performance review at the end of the introductory period.

2.3 Your Employment Records

01-01-2019

In order to obtain their position, employees provided us with personal information, such as address and telephone number. This information is contained in the employee's personnel file.

The employee should keep his or her personnel file up to date by informing Human Resources of any changes. The employee also should notify Human Resources of any specialized training or skills he or she may acquire in the future, as well as any changes to any required visas. Unreported changes of address, marital status, etc. can affect withholding tax and benefit coverage. Further, an "out of date" emergency contact or an inability to reach the employee in a crisis could cause a severe health or safety risk or other significant problem.

2.4 Working Hours and Schedule

01-01-2019

Skymail International, Inc. typically is open for public business from 8:00 am to 5:00 pm, Monday through Friday with daytime, evening, and late-night working shifts. The employee will be assigned a work schedule and will be expected to begin and end work according to the schedule. To accommodate the needs of our business, we may need to change individual work schedules on either a short-term or long-term basis.

Employees will be provided meal and rest periods as required by law. Your Supervisor will provide further details.

2.5 Timekeeping Procedures

01-01-2019

Non-exempt employees must record their actual daily time worked for payroll and benefits purposes by using the Skymail time and attendance clock system.

Non-exempt employees must record:

- the time work begins and ends;
- the beginning and end of lunch breaks;
- the beginning and end time of any departure from the property or work for any non-work-related reason.

Altering, falsifying or tampering with time records is prohibited and subjects the employee to discipline, up to and including discharge.

Exempt employees are required to record and report half and full days of absence from work for reasons such as leaves of absence, sick leave or personal business.

Non-exempt employees may not start work prior to the scheduled start time or work beyond the scheduled end time without express permission from their direct supervisor.

It is the employee's responsibility to review time records to certify the accuracy of all time recorded. The Skymail time and attendance system will automatically email employee timecards as often as daily. Please see the Human Resources Office for enrollment in timecard emails. Any errors in the time record should be reported immediately to a Supervisor, who will attempt to correct legitimate errors.

2.6 Overtime

01-01-2019

Like most successful companies, we experience periods of extremely high activity. During these busy periods, additional work is required from all of us. Supervisors are responsible for monitoring business activity and scheduling overtime work if it is necessary. We attempt to distribute overtime assignments equitably among all qualified employees and provide adequate notice in such situations - failure to work scheduled overtime subjects the employee to discipline, up to and including discharge.

Employees may not work overtime without advance permission from their manager. Non-exempt employees should not access job-related e-mails or conduct other company business outside of work hours. Working unapproved overtime subjects the employee to discipline, up to and including discharge.

Any non-exempt employee who works overtime will be compensated at the rate of one and one-half times (1.5) his/her regular hourly wage for all time worked over of forty (40) hours each week unless otherwise required by law.

For purposes of calculating overtime for non-exempt employees, the workweek begins at 12 a.m. on Sunday and ends 168 hours later at 12 a.m. on the following Sunday.

2.7 Shift Differentials

01-01-2019

Non-Exempt employees are eligible to be paid a shift differential when regularly assigned to work on a later shift that extends beyond 12:00 a.m. Pay differentials are added to the hourly rates of employees for all actual hours worked. Paid Time Off (PTO) and Holiday pay benefits do not receive the differential pay.

Contact your Supervisor or the Human Resources Office to discuss conditions under which shift differentials will be authorized and the related policies and procedures.

2.8 Travel Time for Non-Exempt Employees

01-01-2019

Overnight, Out-of-Town Trips

Non-exempt employees will be compensated for time spent traveling (except for meal periods) during their regular working hours, on days they are scheduled to work and on unscheduled work days (such as weekends). Non-exempt employees also will be paid for any time spent performing job duties during otherwise non-compensable travel time; however, such work should be limited absent advance management authorization.

Out-of-Town Trips for One Day

Non-exempt employees who travel out of town for a one-day assignment will be paid for all travel time, except for, among other things: (i) time spent traveling between the employee's home to and from a bus or plane terminal; and (ii) meal periods.

Local Travel

Non-exempt employees will be compensated for time spent traveling from one job site to another job site during a workday. The trip home, however, is non-compensable when an employee goes directly back from his/her final job site unless it is much longer than his/her regular commute home from the regular worksite. In such case, the portion of the trip home over the regular commute is compensable.

Commuting Time

Under the Portal to Portal Act, travel from home to work and from work to home is generally non-compensable. However, if a non-exempt employee regularly reports to a worksite near his/her home but is required to report to a worksite farther away than the regular worksite, the additional time spent traveling is compensable.

If compensable travel time results in more than 40 hours worked by a non-exempt employee, the employee will be compensated at an overtime rate of one and one-half times the regular rate.

To the extent that applicable state law provides greater benefits, state law applies.

2.9 Safe Harbor Policy for Exempt Employees

01-01-2019

It is our policy and practice to compensate employees accurately and to do so in compliance with all applicable state and federal laws. To ensure proper payment and that no improper deductions are made, employees must review pay stubs promptly to identify and report all errors.

Employees classified as exempt salaried employees will receive a salary which is intended to compensate them for all hours they may work for Skymail International, Inc. This salary will be established at the time of hire or classification as an exempt employee. While it may be subject to review and modification from time to time, such as during salary review times, the salary will be a predetermined amount that will not be subject to deductions for variations in the quantity or quality of the work performed.

Under federal and state law, salary is subject to certain deductions. For example, unless state law requires otherwise, pay can be reduced for the following reasons:

- full-day absences for personal reasons;
- full-day absences for sickness or disability;
- full-day disciplinary suspensions for infractions of our written policies and procedures;
- family and Medical Leave absences (either full or partial day absences);

- to offset amounts received as payment from the court for jury and witness fees or from the military as military pay;
- the first or last week of employment in the event the employee works less than a full week; and
- any full work week in which the employee does not perform any work.

Salary may also be reduced for certain types of deductions such as a portion of health, dental or life insurance premiums; state, federal or local taxes; social security; or voluntary contributions to a 401(k) or pension plan.

In any workweek in which the employee performed any work, salary will not be reduced for any of the following reasons:

- partial day absences for personal reasons, sickness or disability;
- an absence because the employer has decided to close a facility on a scheduled workday;
- absences for jury duty, attendance as a witness, or military leave in any week in which the employee performed any work (subject to any offsets as set forth above); and
- any other deductions prohibited by state or federal law.

However, unless state law provides otherwise, deductions may be made to accrued leave for full- or partial-day absences for personal reasons, sickness or disability.

If the employee believes he or she has been subject to any improper deductions, the employee should immediately report the matter to a supervisor. If the supervisor is unavailable or if the employee believes it would be inappropriate to contact that person (or if the employee has not received a prompt and acceptable reply), he or she should immediately contact the Human Resources Office or any other supervisor in Skymail International, Inc. with whom the employee feels comfortable.

2.10 Your Paycheck

01-01-2019

The employee will be paid bi-weekly for all the time worked during the last pay period. Payroll stubs itemize deductions made from gross earnings and will differentiate between regular pay received and overtime pay received.

By law, the Company is required to make deductions for Social Security, federal income tax and any other appropriate taxes. These required deductions also may include any court-ordered garnishments.

Skymail also offers programs and benefits to eligible employees beyond those required by law. Employees may voluntarily authorize deductions from paychecks to cover their portion of the cost of these programs. Other paycheck setoffs can include employee purchases of goods and services from the Company, non-covered cell phone services or overages, and various other types of debt owed to the Company.

Questions concerning why a deduction was made a paycheck is calculated, consult with the Human Resources Department.

If there is an error in an employee's pay, the employee should bring the matter to the attention of the Human Resources Office immediately. The Company will make a good-faith effort to remedy the mistake as quickly as possible when alerted.

Paychecks will be given only to the employee unless he or she requests that they are mailed, or authorize in writing another person to accept the check. A \$25.00 bank cancelation fee will be charged to the employee for payroll checks that have been lost.

2.11 Direct Deposit

01-01-2019

Skymail International, Inc. encourages employees to use direct deposit. Authorization forms are available from the HR Office or the Employee's Supervisor.

2.12 Salary Advances

01-01-2019

Skymail International, Inc. does not permit advances on paychecks or against accrued paid time off.

2.13 Performance Reviews

01-01-2019

Depending on the employee's position and classification, Skymail International, Inc. endeavors to review performance annually. However, a positive performance evaluation does not guarantee an increase in salary, promotion or continued employment. Compensation increases and the terms and conditions of employment, including job assignments, transfers, promotions, and demotions, are determined by and at the discretion of management.

In addition to these formal performance evaluations, the Company encourages employees and supervisors to discuss job performance on a frequent and ongoing basis.

2.14 Job Postings

01-01-2019

Skymail International, Inc. is dedicated to assisting employees in managing their careers and reaching their professional goals through promotion and transfer opportunities. This policy outlines the online job posting program which is in place for all employees. To be eligible to apply for an open position, employees should meet several requirements:

- Meet the job qualifications listed on the job posting.
- Be a current, regular, full-time or part-time employee.
- Be in your current position for at least six months.
- Maintain a performance rating of satisfactory or above.
- Not be on an employee conduct/performance-related probation or warning within the past twelve (12) months.
- Required to provide the employee's manager with notice prior to applying for the position.

If the employee finds a position of interest posted and meets the eligibility requirements, an internal job application or resume must be completed to be considered for the position. Not all positions are guaranteed to be posted. The Company reserves the right to seek applicants solely from outside sources or to post positions internally and externally simultaneously.

For more specific information about the program, please contact the Human Resources Department.

Section 3 • Benefits

3.1 Benefits Overview / Disclaimer

01-01-2019

In addition to good working conditions and competitive pay, it is Skymail International, Inc.'s policy to provide a combination of supplemental benefits to all eligible employees. In keeping with this goal, each benefit program has been carefully devised. These benefits include time-off benefits, such as vacations and holidays, and insurance and other plan benefits. We are constantly studying and evaluating our benefits programs and policies to better meet present and future requirements. These policies have been developed over the years and continue to be refined to keep up with changing times and needs.

Eligibility for each benefit program depends on a variety of factors, including your employee classification and length of service. To better understand the benefits you are eligible for, talk to your Supervisor or the Human Resources Department. You will also find details about many of these programs elsewhere in the employee handbook.

The following Skymail benefit programs are available to eligible employees and corporate officers, subject to terms and conditions of each program:

- **Health Insurance**
- **Dental Insurance**
- **Vision Insurance**
- **401(k) Retirement Savings Plan**
- **Paid Time Off (PTO)**
- **Paid Holidays**
- **Life and LTD Insurance**
- **Supplemental Insurance**

Details of benefit plans are spelled out in the official plan documents, which are available for review upon request from the Human Resources Office. Additionally, the provisions of the plans, including eligibility and benefits provisions, are summarized in the summary plan descriptions ("SPD's") for the plans (which may be revised from time to time). In the determination of benefits and all other matters under each plan, the terms of the official plan documents shall govern over the language of any descriptions of the plans, including the SPD's and this handbook.

Further, Skymail International, Inc. (including the officers and administrators who are responsible for administering the plans) retains full discretionary authority to interpret the terms of the plans, as well as the full discretionary authority regarding administrative matters arising in connection with the plans and all issues concerning benefit terms, eligibility, and entitlement.

While the Company intends to maintain these employee benefits, it reserves the absolute right to modify, amend or terminate these benefits at any time and for any reason.

If employees have any questions regarding benefits, they should contact the Human Resources Office.

3.2 Paid Holidays

01-01-2019

Full-time and part-time employees are eligible to be paid for the following holidays:

- **New Year's Day**
- **Independence Day**
- **Thanksgiving Day**
- **Memorial Day**
- **Labor Day**
- **Christmas Day**

When holidays fall or are celebrated on a regular workday, eligible employees will receive one (1) day's pay at their regular straight-time rate. Eligible employees who are called in to work on a holiday will receive one (1) day's pay at their regular straight-time rate and an additional payment of straight-time for the actual time they work that day.

Eligibility

Employees that have any type of unscheduled "call-in" absence on either the last scheduled workday immediately preceding the holiday or the first scheduled day immediately following the holiday are ineligible to receive the Paid Holiday benefit. Casual/Seasonal/Temporary employees and employees on unpaid leave or unpaid suspension are not eligible for the Paid Holiday benefit.

If a holiday occurs during an eligible employee's approved paid time off (PTO) period, the eligible employee will be paid for the holiday (at the regular straight-time rate) instead of the PTO day. If a holiday falls within a jury duty leave, the eligible employee will be paid for the holiday (at the regular straight-time rate).

Generally, a recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday.

3.3 Paid Time Off (PTO)

01-01-2019

We know how hard employees work and recognize the importance of providing time for rest and relaxation. We fully encourage employees to get this rest by taking paid time off. Time off under this policy includes extended time off, such as for a vacation, and incidental time due to sickness or to handle personal affairs.

PTO must be scheduled in advance and have supervisory approval, except in the case of illness or emergency. The PTO policy takes the place of sick, personal time and vacation.

Eligibility

PTO is accrued upon hire or transfer into a benefits-eligible position. Eligible employees must be scheduled to work at least 20 hours per week on a regular basis. Employees working less than 20 hours per week on a regular basis, casual, seasonal, and temporary employees are not eligible to accrue PTO.

Availability

PTO accruals are available for use in the pay period following completion of ninety (90) days of employment. All hours thereafter are available for use in the pay period following the pay period in which they are accrued. Generally, as a rule, employees may not borrow against their PTO banks and leave balances may not go negative. Leave in excess of your available PTO balance will be without pay.

Accrual

PTO benefit is accrued upon regular and holiday hours paid up to 40 hours per week. Overtime, leaves of absence, and used PTO benefit hours are excluded and do not accrue PTO leave benefit. PTO benefit will depend on actual regular hours worked up to 40 hours weekly. Eligible employees working less than 40 hours per week and at least 20 hours per week will earn PTO hours on a prorated basis. Years of service determines the rate at which the employee will accrue PTO (*See the PTO Accrual Schedule*). Employees become eligible for the higher accrual rate on the first day of the pay period in which the employee's anniversary date falls.

PTO hours used may not exceed the employees scheduled workday hours. In addition, total hours may not exceed forty (40) hours in a calendar week when applying PTO leave benefits. If a paid holiday occurs during the employee's PTO leave, the day will be paid under the holiday pay benefit for eligible employees.

There is no year-end reset or loss of unused PTO. Unused PTO balances will automatically carry over into the new calendar year. If the total amount of accrued PTO benefit reaches the maximum at which you may

accrue at your year of service level, PTO accrual will temporarily stop. When PTO is used, and the total accrued drops below the maximum, PTO accrual will begin again.

PTO Accrual Schedule

Leave benefits are accrued based on the number of regular hours you work during each pay period. The example formula below is based on 80 hours worked in a pay period. Your accrual will be different if you work less than 80 regular hours in a pay period. Overtime and PTO hours used during a pay period do not accrue leave benefits.

Employment Years	Accrual Rate per 80 Hours Bi-Weekly Pay Period ¹	Annual PTO Accrual ² & Maximum ³
0 – 1	1.54	40
1 – 4	3.08	80
4 – 7	4.62	120
7 – 10	5.38	140
10 – 20	6.15	160
20 +	7.69	200

¹ Accrual rates are prorated for regular hours worked totaling less than 80 during a pay period.

² Annual PTO accruals are based on 2,080 paid working hours per year (40 hours per week).

³ PTO hours pause accruing if the maximum is reached.

Use

Employees are required to use PTO hours according to his or her regularly scheduled workday. For example, if an employee works a six-hour day, he or she would request six hours of PTO when taking that day off. PTO is paid at the employee's straight time rate at the time of usage and will not include any special forms of compensation, such as shift differentials, incentives, commissions, or bonuses. PTO is not included in part of any overtime calculation.

To schedule PTO time, employees must submit a completed Time Off Request form to their supervisor two weeks prior or as early as possible before the requested leave. Employees should ensure that they have enough accrued leave available to cover the dates requested. Typically, leave without pay requests or leave in excess of available PTO hours are considered following any requests with sufficient PTO balances. Requests will be approved based on several factors, including your available balance as well as operating and staffing requirements. The supervisor will return the leave request to the employee within three business days of the date that it was submitted indicating if the request has been approved or denied. If the request for PTO leave is denied, a reason will be provided on the form returned to the employee.

3.4 Break Time for Nursing Mothers

01-01-2019

Our Company supports mothers who wish to express breast milk during her workday when separated from her newborn child. The Company will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child, in accordance with and to the extent required by applicable law. The break time, if possible, must run concurrently with rest and meal periods already provided to the employee. If the break time cannot run concurrently with rest and meal periods already provided to the employee, the break time will be unpaid, subject to applicable law.

The Company will make reasonable efforts to provide employees with the use of a room or location other than a toilet stall for the employee to express milk in private. This location may be the employee's private office, if applicable. The Company may not be able to provide additional break time if doing so would seriously disrupt the Company's operations, subject to applicable law. Please consult the Human Resources Department if you have questions regarding this policy.

Employees should advise management if they need break time and an area for this purpose. Employees will not be discriminated against or retaliated against for exercising their rights under this policy.

3.5 Workers' Compensation

01-01-2019

On-the-job injuries are covered by our Workers' Compensation Insurance Policy, which is provided at no cost. If employees are injured on the job, no matter how slightly, they should report the incident immediately to their Supervisor - failure to follow Company procedures subjects the employee to discipline, up to and including discharge and may also affect the ability of the employee to receive Workers Compensation benefits.

This is solely a monetary benefit and not a leave of absence entitlement. Employees who need to miss work due to a workplace injury must also request a formal leave of absence. See the Leave of Absence sections of this handbook for more information.

3.6 Jury Duty

01-01-2019

SkyMail International, Inc. realizes that it is the obligation of all U.S. citizens to serve on a jury when summoned to do so. All employees will be allowed time off to perform such civic service as required by law. Employees are expected, however, to provide proper notice of a request to perform jury duty and verification of their service.

Employees also are expected to keep management informed of the expected length of jury duty service and to report to work for the portion of the day if excused by the court. If the required absence presents a severe conflict for management, employees may be asked to try to postpone jury duty.

Employees on jury duty leave will be paid for their jury duty service in accordance with state law; however, exempt employees will be paid their full salary for any week in which time is missed due to jury duty if work is performed for the Company during such week.

3.7 Voting Leave

01-01-2019

In the event an employee does not have enough time outside of working hours to vote in a statewide election, if required by state law, the employee may take off enough working time to vote. Such time will be paid if required by state law. This time should be taken at the beginning or end of the regular work schedule. Where possible, your Supervisor should be notified at least two days prior to the voting day.

3.8 Insurance Programs

01-01-2019

Full-time employees may participate in the Company's insurance programs. Under these plans, eligible employees will receive comprehensive health and other insurance coverage for themselves and their families, as well as other benefits.

Upon becoming eligible to participate in these plans, you will receive summary plan descriptions (SPD's) describing the benefits in greater detail. Please refer to the SPD's for detailed plan information. Of course, feel free to speak to Human Resources if you have any further questions.

3.9 Long-Term Disability Benefits

01-01-2019

Full-time employees are eligible to participate in the Long-Term Disability plan, subject to all terms and conditions of the agreement between the Company and the insurance carrier.

This is solely a monetary benefit and not a leave of absence. Employees who will be out of work must also request a formal leave of absence. See the Leave of Absence sections of this handbook for more information.

3.10 Retirement Plan

01-01-2019

Eligible employees can participate in the Company's retirement plan. Plan participants may make pre-tax contributions to a retirement account. Currently, Skymail offers a company match of your contributions. See your Supervisor or the Human Resources Office for details.

Upon becoming eligible to participate in this plan, the employee will receive an SPD describing the plan in greater detail. Please refer to the SPD for detailed plan information. Of course, feel free to speak to the Human Resources Office if there are any further questions.

Section 4 • Leaves of Absence

4.1 Personal Leave

01-01-2019

If employees are ineligible for any other Company leave of absence, Skymail International, Inc., under certain circumstances, may grant a personal leave of absence without pay. A written request for a personal leave should be presented to management at least two (2) weeks before the anticipated start of the leave. If the leave is requested for medical reasons and employees are not eligible for leave under the federal Family and Medical Leave Act (FMLA) or any state leave law, medical certification also must be submitted. The request will be considered based on staffing requirements and the reasons for the requested leave, as well as tenure, performance, and attendance records. Normally, a leave of absence may be granted for a period of up to eight (8) weeks. However, a personal leave may be extended if, prior to the end of leave, employees submit a written request for an extension to management and the request is granted. During the leave, employees will not earn vacation, personal days or sick days. We will continue health insurance coverage during the leave if employees submit their share of the monthly premium payments to the Company in a timely manner, subject to the terms of the plan documents.

When the employee anticipates returning to work, he or she should notify management of the expected return date. This notification should be made at least one week before the end of the leave.

Upon completion of the personal leave of absence, the Company will attempt to return employees to their original job or a similar position, subject to prevailing business considerations. Reinstatement, however, is not guaranteed.

Failure to advise management of availability to return to work, failure to return to work when notified or continued absence from work beyond the time approved by the Company will be considered a voluntary resignation of employment.

4.2 Military Leave

01-01-2019

If employees are called into active military service or enlist in the uniformed services, they will be eligible to receive an unpaid military leave of absence. To be eligible for military leave, employees must provide management with advance notice of service obligations unless they are prevented from providing such notice by military necessity, or it is otherwise impossible or unreasonable to provide such notice. Provided the absence does not exceed applicable statutory limitations, employees will retain reemployment rights and accrue seniority and benefits in accordance with applicable federal and state laws. Employees should ask management for further information about eligibility for Military Leave.

If employees are required to attend yearly Reserves or National Guard duty, they can apply for an unpaid temporary military leave of absence not to exceed the number of days allowed by law (including travel). They should give management as much advance notice of their need for military leave as possible so that we can maintain proper coverage while employees are away.

4.3 Family and Medical Leave

01-01-2019

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees with information concerning FMLA entitlements and obligations employees may have during such leaves. If employees have any questions concerning FMLA leave, they should contact the Head of Human Resources.

I. Eligibility

FMLA leave is available to "eligible employees." To be an "eligible employee," an employee must: 1) have been employed by the Company for at least twelve (12) months (which need not be consecutive); 2) have been employed by the Company for at least 1,250 hours of service during the 12-month period immediately preceding the commencement of the leave; and 3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite. Special hours of service eligibility requirements apply to airline flight crew employees.

II. Entitlements

As described below, the FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration.

A. Basic FMLA Leave Entitlement

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. The 12-month period is determined based on a rolling 12-month period measured backward from the date an employee uses his/her FMLA leave. Leave may be taken for anyone, or for a combination, of the following reasons:

- To care for the employee's child after birth or placement for adoption or foster care;
- To care for the employee's spouse, son, daughter or parent (but not in-law) who has a serious health condition;
- For the employee's own serious health condition (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee's job; and/or
- Because of any qualifying exigency arising out of the fact that an employee's spouse, son, daughter or parent is a military member on covered active duty or called to covered active duty status (or has been notified of an impending call or order to covered active duty) in the Reserves component of the Armed Forces for deployment to a foreign country in support of contingency operation or Regular Armed Forces for deployment to a foreign country.

A serious health condition is an illness, injury, impairment or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than (3) three consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, caring for

the parents of the military member on covered active duty and attending post-deployment reintegration briefings.

B. Additional Military Family Leave Entitlement (Injured Servicemember Leave)

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a covered servicemember is entitled to take up to 26 weeks of leave during a single twelve (12) month period to care for the servicemember with a serious injury or illness. Leave to care for a servicemember shall only be available during a single twelve (12) month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period. The single twelve (12) month period begins on the first day an eligible employee takes leave to care for the injured servicemember.

A "covered servicemember" is a current member of the Armed Forces, including the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status or is on the temporary retired list, for a serious injury or illness. These individuals are referred to in this policy as "current members of the Armed Forces." Covered servicemembers also include a veteran who is discharged or released from military services under a condition other than dishonorable at any time during the five years preceding the date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation or therapy for a serious injury or illness. These individuals are referred to in this policy as "covered veterans."

The FMLA definitions of a "serious injury or illness" for current Armed Forces members and covered veterans are distinct from the FMLA definition of "serious health condition" applicable to FMLA leave to care for a covered family member.

C. Intermittent Leave and Reduced Leave Schedules

FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered servicemember. Qualifying exigency leave also may be taken on an intermittent basis.

D. No Work While on Leave

The taking of another job while on family/medical leave or any other authorized leave of absence is grounds for immediate discharge, to the extent permitted by law.

E. Protection of Group Health Insurance Benefits

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

F. Restoration of Employment and Benefits

At the end of FMLA leave, subject to some exceptions including situations where job restoration of "key employees" will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The Company will notify employees if they qualify as "key employees," if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA leave.

G. Notice of Eligibility for, and Designation of, FMLA Leave

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) Company's designation of leave as FMLA-qualifying or non-qualifying, and if not FMLA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee's leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the Company's failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the Company and employee can mutually agree that leave is retroactively designated as FMLA leave.

III. Employee FMLA Leave Obligations

A. Provide Notice of the Need for Leave

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

1. Content of Employee Notice

To trigger FMLA leave protections, employees must inform the Head of Human Resources of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically or explaining the reasons for leave to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- a medical condition renders them unable to perform the functions of their job;
- they are pregnant or have been hospitalized overnight;
- they or a covered family member are under the continuing care of a health care provider;
- the leave is due to a qualifying exigency caused by a military member being on covered active duty or called to covered active duty status to a foreign country; or
- if the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered servicemember with a serious injury or illness.

Calling in "sick," without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. Employees must respond to the Company's questions to determine if absences are potentially FMLA-qualifying.

If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

2. Timing of Employee Notice

Employees must provide 30 days' advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable under the facts and circumstances of the case. Employees who fail to give 30 days' notice

for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

B. Cooperate in the Scheduling of Planned Medical Treatment (Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered servicemember, the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

**C. Submit Medical Certifications Supporting Need for FMLA Leave
(Unrelated to Requests for Military FMLA Leave)**

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications: an initial certification, a recertification and a return to work/fitness for duty certification.

It is the employee's responsibility to provide the Company with timely, complete and sufficient medical certifications. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite an employee's diligent, good faith efforts. The Company will inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the Company (through individuals other than an employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the Company with authorization allowing it to clarify or authenticate certifications with health care providers, the Company may deny FMLA leave if certifications are unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

1. Initial Medical Certifications

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered servicemember, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

2. Medical Recertifications

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide re-certification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

3. Return to Work/Fitness for Duty Medical Certifications

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the Company with medical certification confirming they are able to return to work and the employees' ability to perform the essential functions of the employees' position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide a return to work/fitness for duty certifications.

D. Submit Certifications Supporting Need for Military Family Leave

Upon request, the first time employees seek leave due to qualifying exigencies arising out of the covered active duty or call to covered active duty status of a military member, the Company may require employees to provide: 1) a copy of the military member's active duty orders or other documentation issued by the military indicating the military member is on covered active duty or call to covered active duty status and the dates of the military member's covered active duty service; and 2) a certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different covered active duty or call to covered active duty status of the same or a different military member.

When leave is taken to care for a covered servicemember with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered servicemember. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered servicemember confirming entitlement to such leave.

E. Substitute Paid Leave for Unpaid FMLA Leave

Employees must use any accrued paid time while taking unpaid FMLA leave. The substitution of paid time for unpaid FMLA leave time does not extend the length of FMLA leave and the paid time will run

concurrently with an employee's FMLA entitlement. Leaves of absence taken in connection with a disability leave plan or workers' compensation injury/illness shall run concurrently with any FMLA leave entitlement.

F. Pay Employee's Share of Health Insurance Premiums

During FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working.

If FMLA leave is unpaid, employees must pay their portion of the group health premium through a "pay-as-you-go" method. The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within 30 calendar days at the end of the leave period (unless cannot return to work due to a serious health condition or other circumstances beyond their control), they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

IV. Questions and/or Complaints about FMLA Leave

If you have questions regarding this FMLA policy, please contact the Head of Human Resources. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Head of Human Resources immediately. The Company will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

V. Coordination of FMLA Leave with Other Leave Policies

The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any State or local law that provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, please consult the Company's other leave policies in this handbook or contact the Head of Human Resources.

Section 5 • General Standards of Conduct

5.1 Workplace Conduct

01-01-2019

Skymail International, Inc. endeavors to maintain a positive work environment. Each employee plays a role in fostering this environment. Accordingly, we all must abide by certain rules of conduct, based on honesty, common sense and fair play.

Because everyone may not have the same idea about proper workplace conduct, it is helpful to adopt and enforce rules all can follow. Unacceptable conduct may subject the offender to disciplinary action, up to and including discharge, in the Company's sole discretion. The following are examples of some, but not all, conduct which can be considered unacceptable:

- Obtaining employment based on false or misleading information.
- Engaging in any illegal activity.
- Unsatisfactory job performance or conduct.
- Unauthorized absence from your assigned work location.
- Disclosure or unauthorized possession of confidential information.
- Falsifying timekeeping records.
- Falsifying company records.
- Violation of safety rules and policies.
- Assisting unauthorized individuals to enter the facility.
- Unauthorized loaning or use of another employee's assigned keys or door access control cards.
- Violation of Skymail International, Inc.'s Drug and Alcohol-Free Workplace Policy.
- Fighting, threatening or any violations of the Workplace Violence Policy.
- Failure to follow lawful work instructions of a supervisor.
- Failure to perform assigned job duties.
- Violation of the Punctuality and Attendance Policy, including but not limited to irregular attendance, habitual lateness or unexcused absences.
- Willful or careless destruction or damage to Company assets or to the equipment or possessions of another employee or customer.
- Wasting work materials.
- Stealing, removing or defacing company, customers or co-worker's property.
- Engaging in any behavior or activity which, in the judgment of the Company is unethical, dishonest, immoral, reckless, damaging, or disruptive to the Company's business or image.
- Engaging in any behavior or activity which, in the judgment of the Company is inappropriate, improper, or contrary to the business interests or image of the Company.
- Performing work of a personal nature during working time.
- Violation of the Solicitation and Distribution Policy.
- Violation of Skymail International, Inc.'s Harassment or Equal Employment Opportunity Policies.
- Possessing/pretending to possess weapons, explosive materials, chemical agents, or other dangerous weapons while on Company premises, that may jeopardize the well-being of others.
- Unauthorized use of equipment, vehicles, machines, or materials.
- Violation of the Communication and Computer Systems Policy.
- Any other violation of Company policy.

Obviously, not every type of misconduct can be listed. Note that all employees are employed at-will, and Skymail International, Inc. reserves the right to impose whatever discipline it chooses, or none, in a particular instance. The Company will deal with each situation individually, and nothing in this handbook should be construed as a promise of specific treatment in any given situation. However, Skymail International, Inc. will endeavor to utilize progressive discipline but reserves the right in its sole discretion to terminate an employee at any time for any reason.

The observance of these rules will help to ensure that our workplace remains a safe and desirable place to work.

5.2 Punctuality and Attendance

01-01-2019

Employees are hired to perform important functions at Skymail International, Inc. As with any group effort, operating effectively takes cooperation and commitment from everyone. Therefore, attendance and punctuality are very important. Unnecessary absences and lateness are expensive, disruptive and place an unfair burden on fellow employees and Supervisors. We expect excellent attendance from all employees. Excessive absenteeism or tardiness may result in disciplinary action up to and including discharge.

Absences and Tardiness

We do recognize there are times when absences and tardiness cannot be avoided. In such cases, employees are expected to notify Supervisors as early as possible, but no later than the start of the workday. Asking another employee, friend or relative to give this notice is improper and constitutes grounds for disciplinary action. Employees should verbally call, stating the nature of the illness and its expected duration, for every day of absenteeism. After three (3) or more consecutive days of unscheduled absences, an employee may be required to provide a doctor's release to return to work.

Excused Absences

For excused absences, eligible employees may request to use available PTO benefits by submitting a completed Time Off Request form to their supervisor immediately following the absence, otherwise excused absences will be unpaid.

Unexcused/Unreported Absences

PTO leave benefits may not be applied toward unreported or unexcused absences. Also, Unexcused/unreported absences may result in disciplinary action up to and including discharge. Generally, unreported absences of two (2) consecutive work days will be considered a voluntary resignation of employment with the Company.

Occurrence System

Employees are granted up to five (5) unscheduled occurrences per calendar year. Occurrences are excused absences from work of four (4) or more hours that have not been submitted and approved at least 24 hours in advance of the employee's scheduled start time. In most cases, consecutive days for the same absence will be counted as one (1) occurrence. Employees exceeding five (5) unscheduled absence occurrences in a calendar year are subject to disciplinary action, up to and including discharge. Employees that qualify for leave under the ADA as a reasonable accommodation will not be punished for legitimate absences from work.

5.3 Progressive Discipline

01-01-2019

Where it appears appropriate and effective, Skymail may utilize a system of progressive discipline to address the remedy of situations where an employee demonstrates unacceptable conduct and/or performance.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences. There are circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will usually be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and, still another offense may then lead to termination of employment. If more than 12 months have passed since the last disciplinary action, the process may start over.

Employees must recognize that there are certain types of employee problems that are serious enough to justify either a suspension or in situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be considered a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the actions listed are not an all-inclusive list of examples of unacceptable conduct that may trigger any step in the progressive discipline process.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both employees and Skymail.

5.4 Problem Resolution

01-01-2019

All Managers understand they must always keep the channels of communication open and flexible. They will listen, discuss, and advise. Only in this way can we find a satisfactory resolution for those problems that sometimes occur when people of different skills and temperaments work together. Communicating your questions or problems to the appropriate person is essential for a healthy working environment. Usually, you should first discuss any questions or problems with your Manager. That person may be able to work them out with you. If for any reason you cannot work things out with your Manager, you may discuss the matter with upper Management. Management seeks to preserve the wellbeing of the whole Company as it resolves difficulties.

This procedure is set forth merely as a guideline. The implementation of this procedure should not be construed as preventing, limiting or delaying the Company from acting, including immediate termination, in circumstances where the Company deems such action appropriate.

5.5 Use of Communications and Computer Systems

01-01-2019

Detailed policy information for the acceptable use of Skymail International, Inc. communication and computer systems are outlined in the Skymail Information Security Policy Manual.

Company communications and computer systems are intended primarily for business purposes; however limited personal use is permitted if it does not hinder the performance of job duties or violate any other Company policy. This includes the voice mail, e-mail and Internet systems. Users have no legitimate expectation of privacy regarding their use of the Skymail International, Inc. systems.

Skymail International, Inc. may access the voice mail and e-mail systems and obtain the communications within the systems, including past voice mail and e-mail messages, without notice to users of the system, in the ordinary course of business when the Company deems it appropriate to do so. The reasons for which the Company may obtain such access include but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information, and ensuring that Company operations continue appropriately during an employee's absence. Notwithstanding, the right of the Company to monitor Company Equipment, employees must respect and observe confidentiality regarding Company Equipment, including regarding voicemail, e-mail, fax, telephones, etc.

Further, Skymail International, Inc. may review Internet usage to ensure that such use with Company property, or communications sent via the Internet with Company property, are appropriate. The reasons for which the Company may review employees' use of the Internet with Company property include but are not limited to: maintaining the system; preventing or investigating allegations of system abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that Company operations continue appropriately during an employee's absence. The Company may store electronic communications for a period after the communication is created. From time to time, copies of communications may be deleted.

Employees are prohibited from using Company computer and communications systems for any improper or illegal purpose, including but not limited to; harassing, threatening, or annoying anyone; conducting non-company business or commercial activity; obtaining sexually explicit, illegal, copyrighted, or proprietary materials or trade secrets.

The Company's policies prohibiting harassment, in their entirety, apply to the use of Company's communication and computer systems. No one may use any communication or computer system in a manner that may be construed by others as harassing or offensive based on race, national origin, sex, sexual orientation, age, disability, religious beliefs or any other characteristic protected by federal, state or local law.

Further, since the Company's communication and computer systems are intended for business use, all employees, upon request, must inform management of any private access codes or passwords. Unauthorized duplication of copyrighted computer software violates the law and is strictly prohibited.

No employee may access, or attempt to obtain access to, another employee's computer systems without appropriate authorization.

Violators of this policy may be subject to disciplinary action, up to and including discharge.

Employees may be required to sign an agreement recognizing acceptable use obligations of the Company communications and computer systems.

5.6 Use of Social Media

01-01-2019

SkyMail International, Inc. respects the right of any employee to maintain a blog or web page or to participate in social networking, Twitter or a similar site, including but not limited to Facebook and LinkedIn. However, to protect Company interests and ensure employees focus on their job duties, employees must adhere to the following rules:

- Employees may not post on a blog or web page or participate on a social networking platform, such as Twitter or a similar site, during work time or at any time with Company equipment or property.
- All rules regarding confidential and proprietary business information apply in full to blogs, web pages and social networking platforms, such as Twitter, Facebook, LinkedIn or similar sites. Any information that cannot be disclosed through a conversation, a note or an e-mail also cannot be disclosed in a blog, web page or social networking site.
- Whether an employee is posting something on his or her own blog, web page, social networking, Twitter or similar site or on someone else's, if the employee mentions the Company and expresses either a political opinion or an opinion regarding the Company's actions that could pose an actual or potential conflict of interest with the Company, the poster must include a disclaimer. The poster should specifically state that the views expressed are his/her opinion and should not be viewed as the Company's position in any way. This is necessary to preserve the Company's image in the marketplace.
- Any conduct that is impermissible under the law that is communicated in any other form or forum is prohibited if expressed through a blog, web page, social networking, Twitter or similar site. For example, posted material that is discriminatory, obscene, defamatory, libelous or violent is forbidden. Company policies apply equally to employee social media usage.

SkyMail International, Inc. encourages all employees to keep in mind the speed and manner information posted on a blog, web page, and/or social networking site is received and often misunderstood by readers. Employees must use their best judgment. Employees with any questions should review the guidelines above and/or consult with their manager. Failure to follow these guidelines may result in discipline, up to and including discharge.

5.7 Personal and Company Portable Communication Devices

01-01-2019

Company-provided portable communication devices (PCD's), including cell phones and personal digital assistants, should be used primarily for business purposes. Employees have no reasonable expectation of privacy regarding the use of such devices, and all use is subject to monitoring, to the maximum extent permitted by applicable law. This includes the right to monitor personal communications as necessary as allowed by law.

Some employees may be authorized and/or reimbursed to use their personal PCD for business purposes. These employees should work with the IT department to configure their PCD for business use. Communications sent via a personal PCD also may subject to monitoring if sent through the Company's networks, and the PCD must be provided for inspection and review upon request.

All conversations, text messages and e-mails must be professional. When sending a text message or using a PCD for business purposes, whether it is a Company-provided or personal device, employees must comply with applicable Company guidelines, including policies on sexual harassment, discrimination, conduct, confidentiality, equipment use and operation of vehicles.

If an employee who uses a personal PCD for business resigns or is discharged, the employee will be required to submit the device to the IT department for resetting on or before his or her last day of work. At that time, the IT department will reset and remove all information from the device, including but not limited to, Company information and personal data (such as contacts, e-mails, and photographs). The IT department will make efforts to provide employees with the personal data in another form (e.g., on a disk) to the extent practicable; however, the employee may lose some or all personal data saved on the device.

Employees may not use their personal PCD for business unless they agree to submit the device to the IT department on or before their last day of work for resetting and removal of Company information. This is the only way currently possible to ensure that all Company information is removed from the device at the time of termination. The removal of Company information is crucial to ensure compliance with the Company's confidentiality and proprietary information policies and objectives.

Please note that whether employees use their personal PCD or a Company-issued device, the Company's electronic communications policies, including but not limited to, proper use of communications and computer systems, remain in effect.

Employees are prohibited from operating a personal business from a company-issued cell device.

Portable Communication Devices in The Production Area

For safety and security reasons and to protect confidential customer information, non-company provided or authorized PCD's or like devices are prohibited in all production areas and any areas that may contain confidential client mailing information or individual(s) private information. Employees in violation of this policy may be subject to disciplinary action up to and including termination.

Portable Communication Device Use While Driving

Employees who drive on Company business must abide by all state or local laws prohibiting or limiting PCD (cell phone or personal digital assistant) use while driving. Further, because using devices while operating a motor vehicle is against the law in Utah, employees must refrain from using any PCD while driving. "Use" includes, but is not limited to, talking or listening to another person or sending an electronic or text message via the PCD.

Regardless of the circumstances, including slow or stopped traffic, employees should proceed to a safe location off the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is absolutely necessary while the employee is driving, and permitted by law, the employee must use a hands-free option and advise the caller that he/she is operating a vehicle and unable to speak at that time and will return the call shortly.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs.

Since this policy prohibits an employee to use a cell phone while driving, employees who are charged with traffic violations resulting from the use of their PCD's while driving will be solely responsible for all liabilities that result from such actions.

Texting or e-mailing while driving is prohibited in all circumstances.

5.8 Camera Phones and Recording Devices

01-01-2019

Due to the potential for issues such as the invasion of privacy, sexual harassment and loss of productivity, as well as inappropriate disclosure of confidential information, no employee may use a camera or camera phone function on any phone on company property or while performing work for the Company.

The unauthorized use of audio recorders or other types of voice recording devices anywhere on Company property, including to record conversations or activities of other employees or management, or while performing work for the Company, is also strictly prohibited unless the device was provided to you by the Company and is used solely for legitimate business purposes. These policies apply apart from protected activity of the NLRA.

5.9 Security - Inspections and Workplace Monitoring

01-01-2019

Skymail is committed to maintaining a safe and secure work environment free of illegal drugs, alcohol, weapons, explosives, or other improper materials. We prohibit the possession, transfer, sale, or use of such materials on our premises. We also want to deter theft and the unauthorized possession of property that belongs to our employees, visitors, and customers.

Inspections

Employees must understand that there is a limited expectation of privacy in the workplace. Skymail International, Inc. reserves the right to require employees while on Company property, or on client property, to agree to the inspection of their personal possessions and property, personal vehicles parked on Company or client property, and work areas for legitimate safety and security purposes. This includes lockers, vehicles, desks, cabinets, workstations, packages, handbags, briefcases, jackets, coats, and other personal possessions or places of concealment, as well as personal mail sent to the Company or its clients. Employees are expected to cooperate in the conduct of any search or inspection.

If you wish to avoid having your personal belongings inspected, please do not bring them to the facility.

Personal Belongings / Lockers

Skymail provides lockers to production employees for temporary storage of personal belongings and should not be used to store perishable foods or non-issued company supplies or property. Employees are responsible for name labeling and securing their locker. Bags, lunch boxes, coats, pocketbooks, and personal storage items are prohibited in production work areas and should be secured in a locker or not brought into the facility. Secured lockers with no current employee name label will have the lock removed and contents emptied for safety inspection. Items left in unlabeled lockers or left by past employees will be donated or discarded. The Company is not responsible for any personal property in the lockers. In the interest of safety, the Company reserves the right to inspect these lockers at any time.

Monitoring

Skymail conducts workplace monitoring to help ensure quality control, employee safety, security, and customer satisfaction. We reserve the right to monitor all computer activities as well as files or data that are composed, sent, or received through Internet connections or stored in our computer systems.

We conduct video surveillance of non-private workplace areas. We use video monitoring to identify safety concerns, maintain quality control, deter and detect theft and misconduct, and discourage and prevent acts of harassment and workplace violence.

We conduct surveillance of our vehicle fleet. We may use GPS location and vehicle computer information and/or ride along or follow audits to identify safety concerns, maintain quality control, and prevent misuse of company vehicles.

Because we are sensitive to the legitimate privacy rights of our employees, we make every effort to ensure that workplace monitoring is always done in an ethical and respectful manner. We will consider employee

requests to release monitoring information that has impacted an employment decision unless there is an ongoing investigation or a legitimate business reason to protect confidentiality.

5.10 Smoking

01-01-2019

Smoking, including the use of e-cigarettes, is prohibited on Company premises except in those locations that have been specifically designated as smoking areas. In situations where the preferences of smokers and non-smokers' conflict, the non-smokers will prevail.

5.11 Personal Visits and Telephone Calls

01-01-2019

Disruptions during work time can lead to errors and delays. Therefore, we ask that personal telephone calls be kept to a minimum, and only be made or received after working time, or during lunch or break time.

For safety and security reasons, employees are prohibited from having personal guests visit or accompany them anywhere in our facilities other than the reception area without prior approval from the HR Manager or the General Manager.

All visitors must enter Skymail at the main entrance. Once authorized, visitors will receive directions or be escorted to their destination. When you have outside visitors, you are responsible for their conduct and taking steps to ensure their safety.

5.12 Solicitation and Distribution

01-01-2019

To avoid distractions, solicitation by an employee of another employee is prohibited while either employee is on work time. "Work time" is defined as the time an employee is engaged or should be engaged, in performing his/her work tasks for Skymail International, Inc. Solicitation of any kind by non-employees on Company premises is prohibited. This policy applies apart from speech protected by the NLRA.

Distribution of advertising material, handbills, printed or written literature of any kind in working areas of the Company is prohibited. Distribution of literature by non-employees on Company premises is also prohibited. This policy applies apart from speech protected by the NLRA.

5.13 Bulletin Boards and Postings

01-01-2019

Important notices and items of general interest are continually posted on our bulletin board. Employees should make it a practice to review it frequently. This will assist employees in keeping up with what is current at Skymail International, Inc. To avoid confusion, employees may not post/remove posts or any material from bulletin boards without approval from the Human Resources Office.

5.14 Confidential Company Information & Non-Disclosure

01-01-2019

During work, an employee may become aware of confidential information about Skymail International, Inc.'s business, including but not limited to information regarding Company finances, pricing, products, and new product development, software and computer programs, marketing strategies, suppliers and customers and potential customers. An employee also may become aware of similar confidential information belonging to the Company's clients. It is crucial to the interests and success of Skymail that we protect our confidential business information and trade secrets.

Confidential information can include but is not limited to; compensation data; computer processes, programs, and codes; customer lists; customer preferences; financial information; labor relations strategies; sales and marketing strategies; market research; current and pending projects or proposals; production

processes; research and development strategies; technological data; technological prototypes; personnel information.

It is critical that Company and client information remains confidential, and particularly not be disclosed to our competitors. Any employee who improperly copies, removes (whether physically or electronically), uses or discloses confidential information to anyone outside of the Company may be subject to disciplinary action up to and including termination as well as legal action. Employees may be required to sign an agreement reiterating these obligations.

5.15 Clean Desk / Workstation Policy

01-01-2019

A clean desk policy can be an import tool to ensure that all sensitive/confidential materials are removed from an end user workspace and locked away when the items are not in use or an employee leaves his/her workstation. It is one of the top strategies to utilize when trying to reduce the risk of security breaches in the workplace. All employees must ensure they are protecting the sensitive company, client, and employee information. This policy applies to all Skymail International, Inc. employees, contractors, and affiliates.

The purpose for this policy is to establish the minimum requirements for maintaining a "clean desk" – where sensitive/critical information about our employees, our intellectual property, our customers and our vendors is secure in locked areas and out of site. A Clean Desk policy is a basic standard of privacy controls.

Policy

- Employees are required to ensure that all sensitive/confidential information in hardcopy or electronic form is secure in their work area at the end of the day and when they are expected to be gone for an extended period.
- Computer workstations must be locked when a workspace is unoccupied.
- Computer workstations must be logged off at the end of the workday.
- Any Restricted or Sensitive information must be removed from the desk and locked in a drawer when the desk is unoccupied and at the end of the workday.
- File cabinets containing Restricted or Sensitive information must be kept closed and locked when not in use or when not attended.
- Keys used for access to Restricted or Sensitive information must not be left at an unattended desk.
- Laptops must be either locked with a locking cable or locked away in a drawer.
- Passwords may not be left on sticky notes posted on or under a computer, nor may they be left written down in an accessible location.
- Printing of Restricted or Sensitive information should be immediately removed from the printer.
- Restricted and/or Sensitive documents should be shredded in the official shredder bins or placed in the lock confidential disposal bins.
- Whiteboards containing Restricted and/or Sensitive information should be erased.
- Lock away portable computing devices such as laptops and tablets.
- Treat mass storage (CD-ROM, DVD or USB drives) as sensitive and secure them in a locked drawer.
- All printers and fax machines should be cleared of papers as soon as they are printed; this helps to ensure that sensitive documents are not left in printer trays for the wrong person to pick up.

Any exception to the policy must be approved by the General Manager in advance.

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

5.16 Conflict of Interest and Business Ethics

01-01-2019

It is Skymail International, Inc.'s policy that all employees avoid any conflict between their personal interests and those of the Company. The purpose of this policy is to ensure that the Company's honesty and integrity, and therefore its reputation, are not compromised. The fundamental principle guiding this policy is that no employee should have, or appear to have, personal interests or relationships that actually or potentially conflict with the best interests of the Company.

It is not possible to give an exhaustive list of situations that might involve violations of this policy. However, the situations that would constitute a conflict in most cases include but are not limited to:

- holding an interest in or accepting free or discounted goods from any organization that does, or is seeking to do, business with the Company, by any employee who is in a position to directly or indirectly influence either the Company's decision to do business, or the terms upon which business would be done with such an organization;
- holding any interest or in an organization that competes with the Company;
- being employed by (including as a consultant) or serving on the board of any organization which does, or is seeking to do, business with the Company or which competes with the Company; and/or
- profiting personally, e.g., through commissions, loans, expense reimbursements or other payments, from any organization currently doing business with or seeking to do business with the Company.
- receiving income or material gain individuals outside of the Company for materials produced or services rendered while performing your job or with Company resources.
- working at another employer while out on FMLA leave with the Company.

A conflict of interest would also exist when a member of an employee's immediate family is involved in situations such as those above.

This policy is not intended to prohibit the acceptance of modest courtesies, openly given and accepted as part of the usual business amenities, for example, occasional business-related meals or promotional items of nominal or minor value.

It is your responsibility to report any actual or potential conflict that may exist between you (and your immediate family) and the Company. Violations of this policy may result in disciplinary action including termination of employment.

Our continued success is dependent upon our customers' trust, and we are dedicated to preserving that trust. Employees owe a duty to Skymail, our customers, and shareholders to act in ways that will merit the continued trust and confidence of the public.

As an organization, Skymail will comply with all applicable laws and regulations, and we expect our directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

5.17 Use of Equipment and Property (Including Intellectual Property)

01-01-2019

Equipment essential in accomplishing job duties is often expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards and guidelines.

Employees should notify their Supervisor if any equipment, machines, or tools appear to be damaged, defective, or in need of repair. Prompt reporting of loss, damages, defects, and the need for repairs could

prevent deterioration of equipment and possible injury to employees or others. The Supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment used on the job. Employees also are prohibited from any unauthorized use of the Company's intellectual property, such as audio and video files, print materials and software.

Improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in discipline, up to and including discharge.

Further, the Company is not responsible for any damage to employees' personal belongings unless the employee's Supervisor provided advance approval for the employee to bring the personal property for work purposes.

5.18 ID Cards and Access Cards

01-01-2019

Each employee will be issued an ID badge with a door access card. Employees must have the ID badge visible always while on duty at Skymail. Lost badges must be reported immediately to the Human Resources Department for replacement. Sharing of badges or allowing access for another employee is forbidden. At the Company's discretion, a fee of \$15.00 is imposed through payroll deduction for lost, damaged or mishandled badges.

Anyone who violates this policy will be subject to discipline, at the discretion of the Company, up to and including termination of employment.

5.19 Health and Safety

01-01-2019

All employees are expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate Manager. Employees who violate safety standards, cause hazardous or dangerous situations, fail to report or when appropriate remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

The health and safety of employees and others on Company property are of critical concern to Skymail International, Inc. The Company intends to comply with all health and safety laws applicable to our business. To this end, we must rely on employees to ensure that work areas are kept safe and free of hazardous conditions. Employees are required to be conscientious about workplace safety, including proper operating methods, and recognize dangerous conditions or hazards. Any unsafe conditions or potential hazards should be reported to management immediately, even if the problem appears to be corrected. Any suspicion of a concealed danger present on the Company's premises, product, facility, piece of equipment, process or business practice for which the Company is responsible should be brought to the attention of management immediately.

Periodically, the Company may issue rules and guidelines governing workplace safety and health. The Company may also issue rules and guidelines regarding the handling and disposal of hazardous substances and waste. All employees should familiarize themselves with these rules and guidelines, as strict compliance will be expected.

Any workplace injury, accident, or illness must be reported to the employee's Supervisor immediately, regardless of the severity of the injury or accident.

5.20 Hiring Relatives and Employee Relationships

01-01-2019

A familial relationship among employees can create an actual or at least a potential conflict of interest in the employment setting, especially where one relative supervises another relative. To avoid this problem, Skymail International, Inc. may refuse to hire or place a relative in a position where the potential for favoritism or conflict exists.

In other cases, such as personal relationships where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or discharged from employment, at the discretion of the Company. Accordingly, all parties to any intimate personal relationship must inform management.

If two employees marry, become related, or enter an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. The Company generally will attempt to identify other available positions, but if no alternate position is available, the Company retains the right to decide which employee will remain with the Company.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

5.21 Employee Dress and Personal Appearance

01-01-2019

We want Skymail employees to reflect an appropriate business image to customers and visitors. You are expected to report to work well groomed, clean, and dressed according to the requirements of your position. Some employees may be required to wear uniforms or protective equipment/clothing. Supervisors are responsible for establishing appropriate clothing and protective equipment requirements. Consult with your direct Supervisor for specific the information regarding the acceptable attire and appearance for your position.

Because personal style can be important to people, we do not want to restrict individual tastes unnecessarily. However, to give additional guidance, below are some examples of what we expect Skymail employees to follow:

- Production and Transportation department employees' shoes must cover the entire foot with firm non-slip soles that provide protection against foot injuries due to falling or rolling objects, or objects piercing the sole, and where employees' feet are exposed to electrical hazards. See your Supervisor for the footwear requirements of your position.
- No bare feet under any circumstances.
- Tank tops, tube or halter tops are not acceptable.
- Shirts and shoes must always be worn.
- The noticeable lack of undergarments or exposed undergarments is not acceptable.
- Long hairstyles should be worn with hair pulled back off the face and neck to avoid interfering with job performance in the production area.
- Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.
- Offensive body odor and poor personal hygiene are not professionally acceptable.
- Perfume, cologne, and aftershave lotion should be used moderately or avoided altogether, as some individuals are sensitive to strong fragrances.

- Pants, shorts or skirts may not be worn below the waistline and may not be shorter than two (2) inches above the knee.
- No sexually provocative or inappropriately revealing clothing or clothing portraying; profanity, nude/semi-nude images, content sexual in nature, political arguments, illegal activity, gangs, criminal activity, racism, war, controversial slogans/cartoons or drawings.
- Clothing, accessories, and items bearing logos of any kind promoting competitors are prohibited.

If you report to work dressed or groomed inappropriately, you may be prevented from working until you return to work appropriately groomed and wearing the proper attire.

Questions or concerns that cannot be handled to an employee's satisfaction by his or her Manager should be taken to the Human Resources Department.

5.22 Statements to the Media, Publicity, and Endorsements

01-01-2019

All media inquiries regarding the position of the Company as to any issues must be referred to the President/CEO. Only the President/CEO is authorized to make or approve public statements on behalf of the Company. No employees, unless specifically designated by the President/CEO, are authorized to make those statements on behalf of Company. Any employee wishing to write and/or publish an article, paper, or other publication on behalf of the Company must first obtain approval from the President/CEO.

The Company encourages your participation as an individual in civic, community, and social activities. However, you are prohibited from creating the impression that the Company itself participates in or supports these outside activities. Thus, you may not use the Company's name or branding to endorse, associate with, or lend support to any business cause, organization, political party, social activity, or any other kind, without express written permission from the Company President.

5.23 Operation and Use of Vehicles

01-01-2019

Vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using Skymail property, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Immediately notify your Supervisor if any vehicle appears to be damaged, unsafe, or need repair. Prompt reporting of damage and the need for repair could prevent deterioration of equipment and possible injury to employees or other people. Your Supervisor can answer any questions about your responsibility for pre-trip inspections, maintenance and care of vehicles you use on the job.

Employees are expected to obey all traffic laws, ordinances, and regulations pertaining to the operation of motor vehicles. As such, employees are personally responsible for operator and parking violations they may receive from law enforcement. Employees found to be driving improperly, careless, negligent, destructive, unsafe, over the speed limit, recklessly, without seat belts, or in any manner that is unlawful or disrespectful to the public are subject to disciplinary action including termination.

Authorized Person

Skymail International Inc. vehicles are to be driven only by authorized Skymail employees within the scope of their jobs for official company business. Employees may not run personal errands in company vehicles. Employees that may take a lunch or break while driving for Skymail may safely stop away from traffic within the boundaries of their route to rest. An authorized employee is screened and insured through Skymail and has permission from the General Manager, HR Manager or Department Manager to operate a

company owned vehicle to carry out the official business of the company within the scope of the employee's job and duties.

Use of Personal Vehicle

Skymail maintains and operates a fleet of vehicles for pick-up and delivery purposes. If an accident occurs while a personal vehicle is being used for official Skymail business, the employee's auto liability coverage is considered the primary coverage. If you choose to run an errand with your personal vehicle, please be aware of the insurance implications. Also, Skymail does not reimburse for miles traveled unless arrangements have been made in advance by the company in writing.

Travel Rentals

Skymail business travelers renting a vehicle from an automobile rental company are typically covered by the primary insurance procured by the rental company for that purpose. Employees are required to verify that liability insurance does cover the rental vehicle through the rental car company. Usually, the rental car company's insurance provides collision and/or comprehensive coverage for the rental car. Because rental car contracts vary from company to company, traveling employees are required to ask the rental company for enough information to clearly understand the terms of the rental contract, especially those which relate to insurance. In many instances, the option of accepting a "Collision Damage Waiver" (CDW) for which a daily fee would apply is given.

Employee Agreement

It is the responsibility of every employee to drive safely and obey all traffic, vehicle safety, and parking laws or regulations. Drivers must always demonstrate safe driving habits. Company-owned or leased vehicles may be used only as authorized by management. All employees operating company owned vehicles are required to sign and abide by the Company Vehicle Use Agreement.

All employees authorized to drive Company-owned or leased vehicles or personal vehicles in conducting Company business must possess a current, valid driver's license, DOT medical card (*when applicable*), and an acceptable/insurable driving record. Employees are required to report any change in license status or driving record to management immediately.

Portable Communication Device Use While Driving

Employees who drive on Company business must abide by all state or local laws prohibiting or limiting PCD (cell phone or personal digital assistant) use while driving. Further, because using devices while operating a motor vehicle is against the law in Utah, employees must refrain from using any PCD while driving. "Use" includes, but is not limited to, talking or listening to another person or sending an electronic or text message via the PCD.

Regardless of the circumstances, including slow or stopped traffic, employees should proceed to a safe location off the road and safely stop the vehicle before placing or accepting a call. If acceptance of a call is absolutely necessary while the employee is driving, and permitted by law, the employee must use a hands-free option and advise the caller that he/she is operating a vehicle and unable to speak at that time and will return the call shortly.

Since this policy prohibits an employee to use a cell phone while driving, employees who are charged with traffic violations resulting from the use of their PCD's while driving will be solely responsible for all liabilities that result from such actions.

Under no circumstances should employees feel that they need to place themselves at risk to fulfill business needs. Texting or e-mailing while driving is strictly prohibited in all circumstances.

5.24 Business Expense Reimbursement

01-01-2019

Employees will be reimbursed for reasonable approved expenses incurred during business. These expenses must be approved in advance by the employee's Supervisor and may include air travel, hotels, motels, meals, cab fare, rental vehicles, or gas and car mileage for personal vehicles. All expenses incurred should be submitted to the Office Manager along with the receipts promptly.

Employees are expected to exercise restraint and good judgment when incurring expenses. Employees should contact their Supervisor in advance if they have any questions about whether an expense will be reimbursed.

5.25 Recycling and Conservation

01-01-2019

Skymail supports environmental awareness by encouraging recycling and waste management in our business practices and operating procedures. This support includes a commitment to the purchase, use, and disposal of products and materials in a manner that will best utilize natural resources and minimize adverse impacts on the earth's environment.

We make conscious investments to conserve natural resources by; replacing unnecessary landscape grass with decorative rock and drought tolerant plants to save water; replacing warehouse and office lighting with energy efficient bulbs reducing electricity usage; replacing the facilities roof with a reflective white membrane reducing cooling costs; using programmed thermostats to control heating and cooling when not in use.

We have recycling receptacles and processes set up at Skymail to promote the separation and collection of the following recyclable materials:

- | | | |
|---------------------------|-----------------------|------------------------|
| • Soda Cans | • Color / Mixed paper | • Corrugated cardboard |
| • Computer paper | • Wooden Pallets | • Brown paper bags |
| • High grade / Bond paper | • Newspaper | • Printer cartridges |

The simple act of placing a piece of paper or, can in a recycling container is the first step in reducing demand on the earth's limited resources. The success of this program depends on active participation by all of us. We encourage you to commit to recycle and be a part of this solution.

Skymail encourages reducing and eliminating the use of disposable products whenever possible. The following are some ways that you can help to decrease the consumption of valuable resources:

- | | | |
|--|-------------------------|----------------------|
| • Communicating via email | • Posting group notices | • Turning off lights |
| • Two-sided copying | • Computerized Forms | • Car Pooling |
| • Reusing supplies (paper clips, folders, binders, etc.) | | |

When we recycle and conserve, we are helping to solve environmental issues facing all of us.

5.26 References

01-01-2019

Skymail International, Inc. will respond to reference requests and employment verifications through the Human Resources Department. The Company will verbally provide the applicable general information concerning the employee such as current employment or date of discharge and positions held. Requests for detailed reference or verification information must be in writing including the employee's signed consent to release information. Please refer all requests for references or employment verification to the Human Resources Department.

5.27 If You Must Leave Us and Return of Property

01-01-2019

Should an employee decide to leave the Company, we ask that he or she provide a Supervisor with at least two (2) weeks' notice of departure. Thoughtfulness will be appreciated. All Company property including, but not limited to files, documents keys, badges, tablets, laptop computers, etc., must be returned prior to separation. Employees also must return all the Company's Confidential Information upon separation. To the extent permitted by law, employees will be required to repay the Company when allowed by law, (through payroll deduction, if lawful) for any unreturned, lost or damaged Company property. Skymail may also take legal action to recover non-returned or damaged property or confidential information. As noted previously, all employees are employed at-will, and nothing in this handbook changes that status. Employees who resign may be requested to participate in an exit interview.

5.28 A Few Closing Words

01-01-2019

This handbook is intended to give employees a broad summary of things they should know about Skymail International, Inc. The information in this handbook is general in nature and, should questions arise, any member of management should be consulted for complete details. While we intend to continue the policies, rules, and benefits described in this handbook, Skymail International, Inc., in its sole discretion, may always amend, add to, delete from or modify the provisions of this handbook and/or change its interpretation of any provision set forth in this handbook. Employees should not hesitate to speak to management if they have any questions about the Company or its personnel policies and practices.



Notes

Notes

SKYMAIL



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mail



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