

CARTER EXPRESS, INC.

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Value...Delivered



# Driver Employee Handbook

Updated April 2021

CARTER EXPRESS, INC.

# Employee Handbook

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© Carter Express, Inc.  
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Anderson, IN 46011  
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# Table of Contents

## Chapter 1: Organization Information

1.1	Welcome Message.....	1
1.2	Company Mission Statement & Vision .....	1
1.3	Carter's History .....	3

## Chapter 2: General Handbook Information & Acknowledgement

2.1	Purpose of Handbook .....	5
2.2	Changes to the Handbook .....	6
2.3	Exceptions to the Handbook .....	6
2.4	Handbook Acknowledgement Form .....	7

## Chapter 3: Employment Practices and Policies

3.1	Employment At-Will.....	9
3.2	Equal Employment Opportunity Policy .....	9
3.3	Harassment Free Workplace .....	10
3.3.1	Definitions of Harassment	
3.3.2	Sexual Harassment	
3.3.3	Retaliation	
3.4	Americans with Disabilities Act Policy Statement.....	12
3.5	Reporting an Incident.....	13
3.5.1	Important Notice to All Employees	
3.5.2	The Investigation	
3.5.3	Responsive Action	
3.6	Whistleblower Policy .....	15
3.7	Initial Employment Period.....	16
3.8	Orientation Program .....	16
3.9	Employee Classification.....	16
3.9.1	Full-Time Employees	
3.9.2	Part-Time Employees	
3.9.3	Temporary Employees/Interns	

## Chapter 4: Wages & Records

4.1	Compensation.....	18
4.1.1	Performance Reviews	
4.1.2	Your Comments	
4.1.3	Performance Rating Scale	
4.1.4	Timing of Performance Reviews	
4.2	Time Records.....	20
4.3	On-Call /Guarantee Positions .....	20
4.4	Personnel Records.....	21
4.5	Photographic Identification.....	21

## Chapter 5: Employee Benefits

5.1	Health, Life & Disability Insurance .....	22
5.1.1	Health Benefits Policies Summary	
5.1.2	Health Benefit Enrollment and Eligibility	
5.1.3	Benefit Plan Payments	
5.1.4	Benefit Plan Changes in Status	
5.1.5	Federal Tax Consequences	
5.1.6	Company Life Insurance & Other Elective Benefits	
5.1.7	Workers' Compensation Benefits	
5.2	Retirement & Income Savings Plan (401K).....	25
5.3	Quarterly Driver Performance Bonus.....	25
5.4	Time Off .....	26

5.4.1	Paid Vacation Days	
5.4.2	Solo Driver Vacation Policy	
5.4.3	Team Driver Vacation Policy	
5.4.4	Unpaid Time Off	
5.5	Holidays.....	27
5.6	Bereavement.....	27
5.7	Jury Duty.....	28
5.8	Military Duty.....	28
5.8.1	Continuation of Health Benefits	
5.8.2	Requests for Leave	
5.9	Time Off To Vote.....	29
5.10	Absence Due to Illness.....	29
5.11	FMLA.....	30
5.11.1	Employee Eligibility Criteria	
5.11.2	Amount of FMLA Leave	
5.11.3	Limitations on FMLA	
5.11.4	Intermittent or Reduced Work Schedule Leave	
5.11.5	Requests for FMLA & Required Documentation	
5.11.6	Use of Paid and Unpaid Leave	
5.11.7	Designation of Leave	
5.11.8	Maintenance of Health Benefits	
5.11.9	Return from FMLA Leave	
5.11.10	Limitations on Reinstatement	
5.11.11	Failure to Return to Work Following FMLA Leave	
5.12	Educational Assistance.....	35
5.12.1	Other Financial Assistance	
5.12.2	Reimbursement	
5.12.3	Requirements for Reimbursement	
5.12.4	Non-Reimbursable Expenses	
5.12.5	Tax Status	
5.12.6	Repayment Requirements	
5.13	Employee Discounts.....	36
5.14	Carter Merchandise.....	36

## Chapter 6: On The Job

6.1	Attendance, Punctuality & Dependability.....	37
6.1.1	Unexcused Absences	
6.1.2	Corrective Action for Unexcused Absences	
6.1.3	Team Members in Initial Employment Period	
6.1.4	Leaves of Absence	
6.1.5	Employment Status	
6.1.6	Punctuality	
6.2	Behavior & Dress Code.....	39
6.2.1	Dress Code	
6.2.2	Name Badges	
6.3	Employee Conduct.....	39
6.4	Truck Housekeeping Guidelines.....	40
6.4.1	Controversial and/or Political Paraphernalia	
6.5	Personal Relationships at Work.....	40
6.5.1	Examples of Conflict of Interest	
6.6	Open Door Policy.....	41
6.7	Disciplinary Procedures.....	41
6.8	Comdata Information.....	42
6.9	Comchecks.....	43
6.10	Driver Reimbursements.....	43
6.11	Telephone/Cell Phone Usage.....	44

6.11.1	Cell Phone Use	
6.12	Suggestions & Questions	45
6.13	Solicitations & Distributions	45
6.14	Internal Investigations & Searches	45
6.15	Personal Property	45
6.16	Employee Reference Checks	46
6.17	Lactation Policy (Indiana Breastfeeding Law)	46

## Chapter 7: Health & Safety

7.1	Safety Responsibility	47
7.2	Accidents & Emergencies	47
7.3	General Safety Guidelines	48
7.4	Seat Belt/Safety Restraint Usage	48
7.4.1	Sleeper Berth Restraints	
7.5	Video Event Recorder Policy	49
7.6	Tobacco Free Workplace Policy	50
7.7	Drug and Alcohol Abuse & Testing Policy	61
7.7.1	Person Identified to Answer Questions	
7.7.2	Alcohol	
7.7.3	Controlled Substances	
7.7.4	Notification of Convictions	
7.7.5	Testing Procedures	
7.7.6	Testing for Alcohol	
7.7.7	Re-Testing at Employee's Request	
7.7.8	Testing Programs	
7.7.9	The Effects of Alcohol and Drugs on Health, Work and Personal Life	
7.7.10	Signs & Symptoms of an Alcohol or Drug Problem	
7.7.11	Where Can I Go for Help?	
7.8	Weapons Policy	58
7.9	Workplace Violence	59
7.10	Infectious Disease Policy	60

## Chapter 8: Technology

8.1	Company Equipment and Computer System	64
8.1.1	Company Computer System/Tablet Policy	
8.2	Email and Internet Policy	64
8.3	General User Security Practices	65
8.4	Wireless Internet Policy	65
8.5	Social Media Policy	65

## Chapter 9: Code of Conduct

9.1	Conflict of Interest	68
9.2	Outside Employment Statement and Board Service	69
9.3	Confidential Information and Company Property	69
9.4	Media Relations/Public Communications	70

## Chapter 10: Leaving the Company

10.1	Resignation	71
10.2	Dismissals	71
10.3	Exit Interview	72
10.4	Post Resignation/Termination Procedures	72
10.4.1	Benefits	
10.4.2	Company Issues Uniforms and/or Equipment	
10.4.3	Final Pay Check	

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## Organization Information

*Welcome to the Carter Family! We are happy you have decided to work with us and we are excited to have you on the team.*

**Y**ou are joining a world class team of logistics professionals that have high goals and expectations for the future. With over 30 years of experience, five crossdock locations along the USMCA highway, 3 fleet operations and over 1,400 employees, Carter is a leading logistics consulting company powered by its own assets. We operate mainly in the automotive industry. In fact, you may know many of our customers already. Some of the large automotive manufacturers that we work with are Toyota®, Honda Motor Co., Inc., Nissan® and General Motors Company. We also work alongside many of their main suppliers such as Tenneco Inc. and Faurecia, among many others. In recent years we have started to expand our services to other industries. We are now providing services to food, retail and pharmaceutical companies such as Nestlé® and Roche Diagnostics. Our future looks bright as we continue to provide innovative, cost saving answers to our customers' shipping needs. We are excited to have you on board and look forward to working with you. Thank you for choosing Carter!

### (1.2) Company Mission Statement & Vision Outline

**Carter's mission is to safely and profitably supply error-free logistics services to our customers in an innovative and efficient manner. Carter will complete this mission by obeying customer, statutory and regulatory requirements and continually reviewing quality objectives to ensure we are meeting and exceeding our customer's expectations and demands.**

Carter is focused on growing and expanding our business by satisfying more customers and our employees show the dedication and expertise to reach that goal. The ownership of Carter and its top management continually add staff that has exceptional work ethics with the desire to learn and satisfy our customers. The team you have chosen to join has set its goals high and is always striving for excellence. Carter expects the same from you. The sections below outline our goals and priorities

and our vision for Carter as a workplace. Our goals focus on six main ideas: Customer Orientation, Calculated Risk Taking, Discipline, Great Place to Work, Quality and Results Orientation.

Customer Orientation:

- Listen & respond to our customers, suppliers and stakeholders
- Clearly communicate mutual intentions & expectations
- Deliver innovative & competitive logistics services
- Keep our customers satisfied & happy

Calculated Risk Taking

- Foster innovation and creative thinking
- Embrace change & challenge the status quo
- Listen to all ideas and viewpoints
- Learn from both successes and mistakes
- Encourage and reward informed and calculated risk taking

Discipline

- Conduct all business with integrity and professionalism
- Ensure a safe, clean & injury free workplace
- Always meet established and defined commitments
- Pay attention to all details

Great Place to Work

- Be open and direct with our colleagues
- Promote a challenging work environment that develops and encourages our workforce
- Work as a team with respect and trust for each other
- Recognize and reward accomplishments
- Manage performance objectively and fairly
- Support and promote the communities in which we live and work

Quality

- Achieve the highest standards of excellence
- Do the right things, the right way, the first time
- Continuously learn, develop and improve
- Take pride in our work and our company

Results Orientation

- Set challenging and competitive, yet attainable goals
- Focus on quality output
- Assume responsibility, even when mistakes arise
- Constructively confront and solve problems proactively
- Execute flawlessly

Your ideas for improvement are always welcome and we encourage you to share them with us at any time.



## (1.3) Company History

Carter Logistics, LLC and Carter Express, Inc.'s history began in the year 1955, when Myron "Duke" Paugh opened a light-duty truck dealership called Duke's GMC Inc. In 1974, his son John Paugh partnered with him before purchasing the dealership outright a few years later. In 1982 one of Paugh's customers, Will Carter, started a company called Carter Express. This newly formed company had only a few trucks and a contract to haul parts for General Motors. Paugh eventually bought into Carter's company in 1984 and became sole owner in 1992. At the time, Carter had 13 power units. Since then, Paugh has grown the company to a fleet of over 800 tractors, 1600 trailers and 8 locations in the US and 3 locations in Mexico.

The largest contributor to Carter Express' rapid growth was the 1993 creation of our Shared MilkRun logistics model as well as our proprietary split bill invoicing process. Our Shared MilkRun system allows our customers' freight to "share a ride" with other customers' goods. These parts usually come from common suppliers that the customers share. A typical route will leave in the morning, make multiple pick-ups at common suppliers and return to one of our crossdock locations. The freight is then unloaded and split into multiple shipments to different customers. Our customers only pay for their percentage of the weight on the shared trailer and therefore can get less-than-truckload service at rates comparable to full truckload shipments. The Shared MilkRun allows our customers to get small, frequent shipments at set window times. This enables our customers to become better equipped to efficiently manage their inventory as well as all of the associated supply chain costs.

In 2001, with the purchase of Tenneco's fleet operations, Carter opened its second location in Paragould, Arkansas. Meanwhile, our customers continued to demand our further involvement with their overall supply chain. In an effort to remedy the increasing customer demand, we created Carter Logistics, LLC. Carter Logistics, LLC started in 2002 and is a third party logistics company, or 3PL as it is commonly referred. We manage a carrier base of over 300 other carriers in this division. The Carter Logistics team manages our customers' entire supply chains, including all aspects spanning from their order cycles to the delivery of products.

To help manage our shipments in and out of Mexico, Carter continued its expansion and opened a new terminal in Laredo, TX in 2005. To this day, Mexico shipments represent over 35% of our revenue and continue to be an area we work to expand. However, Mexican and Canadian shipments were just the start of our global expansion. In 2008 we formed a strategic alliance with Hitachi Transport Systems (HTS) and in 2009; HTS purchased controlling interest of the Carter group. John Paugh still a small % of the shares of Carter and operates as President and CEO of the Carter companies. This partnership allows us to offer global freight forwarding and overseas logistics services to our customers.

Carter not only expanded our global offerings in 2009, we also expanded domestically by opening crossdocks in Romulus, Michigan, Andersonville, Tennessee and Dayton, Ohio. Since then we have outgrown all of those facilities. We doubled the size of our Romulus crossdock in 2011, built our

largest facility in Vandalia, Ohio in 2012, built a large crossdock in Laredo in 2015 and expanded our Andersonville crossdock in 2019. We also opened fleet operations in Hebron, KY and Canton, MS in 2016 and 2018 respectively.

Global expansion did not stop after we partnered with Hitachi in 2009. In June of 2013 Carter purchased Hitachi Sistema De Transporte Mexico, SA DE CV or TSX as we commonly refer to it. We opened a new office in Silao, Guanajuato, Mexico for the TSX operations as well as two crossdocks, one in Quertaro and one in San Luis Potosi and offer intra-Mexico transportation services. TSX will have the authority to hire and pay Mexican carriers, something Carter could not do without a Mexican subsidiary company. Our customers receive one-stop shop transportation and billing anywhere in the continental US or Mexico.

Carter has experienced huge growth in the past 35+ years by always leading the charge towards new technology and innovation as well as hiring and cultivating a team of leading logistics professionals. We strive to create an environment that encourages professional growth and promotes success. This model, coupled with our superior customer service will allow Carter to continue its growth for the next 31 years and beyond.

## General Handbook Information & Receipt

### (2.1) Purpose of the Handbook

Carter knows its employees are its most valuable resource. The Employee Handbook (further referred to as “handbook”) has been written to serve as the guide for the employer/employee relationship. The handbook records the employment policies and guidelines of Carter Express, Inc. (further referred to as “Carter” or “Company”) into a written format and is used to carry out the mission of the Company in an organized manner. The handbook has been written in accordance to law and promotes equity between the employer and employee within the framework of today’s complex legislative authority. Neither this handbook nor any policies within constitute a contract for employment nor do they guarantee any fixed terms or conditions of employment. Your employment is not for any specific time and may be terminated at will, without notice by either the Company or your resignation. No supervisor or other representative of the company (with the exception of the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.

This handbook contains general information and guidelines but is not intended to be comprehensive or to address all the possible applications of, or exceptions to the general policies and procedures described. Any questions concerning the meaning of a policy, suggestions for improvement or modification of an existing policy and ideas for new policies should be directed to the Human Resources department. The modifications of the handbook and the policies within will be managed by Human Resources.

All policies and procedures contained or referred to in this handbook, or which may be added or referred to in the future, represent the policies established by Carter for its employees in relation to the particular subject addressed by the policy. It is the intention that the policies and procedures contained are referred to in this handbook or which may be added or referred to in the future, are a guide for situations and should be used by employees in carrying out their responsibilities. Violation of policies and procedures described in the handbook can be the basis for internal discipline or discharge.

This handbook and the information and policies within should be treated as confidential. No portion of this handbook should be disclosed to others, except Carter employees and other affiliated

with Carter whose knowledge of the information is required in the normal course of business. Some of the subjects within the handbook are covered in detail in official policy documents and within specific departmental policies. You should refer to those documents for specific information as this handbook only briefly summarizes those details, benefits, policies and procedures.

The policies in this handbook are intended to establish and maintain a high quality of performance from Carter employees. Under no circumstances shall any policy or guideline be interpreted or construed as establishing a minimum standard of the safety, due care, or any other obligation which may be owed by the Company, or its employees, to another person.

## (2.2) Changes to the Handbook

The Company reserves the right to modify, amend, add, repeal or deviate from any or all of the policies or procedures set forth or referred to in this handbook whenever deemed necessary or desirable to do so, and without advance notice.

Carter intends to keep copies of all employee policies current at all times. Human Resources will notify employees of any additions or modifications to the handbook in a timely manner and remind employees they are responsible for compliance with the most current version. It is the employee's responsibility to be aware of and comply with the most recent policies. Supervisors are expected to administer these guidelines in a fair and consistent manner.

## (2.3) Exceptions to the Handbook

There may be extenuating circumstances in the business and in employees' personal lives that constitute the consideration of an exception to one of the handbook policies or procedures. Employees may request an exception to the policies contained herein by submitting such request in writing to the Human Resources department or executive management. This written request must also be made through the employee's direct manager or supervisor who should indicate their support with a signature and then forward to Human Resources. Human Resources will recommend to the Company's Executive Management Team appropriate changes. If approved by that group, any affected policies will be updated and communicated to all employees.

## (2.4) Employee Copy: Handbook Acknowledgement Form

I acknowledge that I have received a copy and/or received instructions on how to access an online version of the Company Employee Handbook. I agree to read it thoroughly, including the statements in the foreword describing the purpose and effect of the handbook. I agree that if there is any policy or provision in the Handbook that I do not understand, I will seek clarification from the Human Resources Department. I have entered into my employment relationship with Carter voluntarily and acknowledge that there is no specified length of employment. I understand that the Company is an "at will" employer and as such employment with the Company is not for a fixed term or definite period and may be terminated at the will of either party, with or without cause, and without prior notice so long as no applicable state or federal law has been violated. No supervisor or other representative of the Company (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement other than "at will" as described above.

In addition, I understand that this handbook states the Company policies and practices in effect on the date of publication. This manual and the policies and procedures contained herein supersede any and all prior practices, oral or written representations, or statements regarding the terms and conditions of your employment with the Company. By distributing this handbook, the Company expressly revokes any and all previous policies and procedures which are inconsistent with those contained herein.

I understand that, except for employment at-will status, any and all policies and practices may be changed at any time by the Company and the Company reserves the right to change my hours, wages and working conditions at any time. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the President has the ability to adopt any revisions to the policies in this handbook.

I understand and agree that nothing in the Employee Handbook creates, or is intended to create, a promise or representation of continued employment and that employment at the Company is employment at-will, which may be terminated at the will of either the company or myself. Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I understand and agree that employment and compensation may be terminated with or without cause and with or without notice at any time by the Company or myself.

**I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.**

**Date:** \_\_\_\_\_

**Employee Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Company:** \_\_\_\_\_

**HR Representative Signature:** \_\_\_\_\_

\*\*Please note that this is the employee's copy that should stay in their handbook. Please sign printed copy from HR.

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## Employment Practices & Policies

### (3.1) Employment At-Will

Employment within the company may be terminated with or without cause and with or without notice at any time at the option of either the company or the employee. No supervisor or representative of the company, other than the President has any authority to enter into any agreement for employment for any specified period of time or make any agreement contrary to the forgoing.

### (3.2) Equal Employment Opportunity Policy

Equal Employment Opportunity has been, and will continue to be, a fundamental principle at Carter. The Company provides equal employment opportunity for all employees and applicants for employment without unlawful discrimination due to race, creed, color, religion, sex, age, national origin or ancestry, disability and genetic information, handicap, citizenship, disable veteran status, veterans of the Vietnam era, military status or other basis prohibited by law. Equal employment opportunity applies to all policies and procedures relating to but is not limited to, hiring, compensation, benefits, promotion, transfer, demotion, termination and training. The Company prohibits and will not tolerate any such discrimination.

Employees and applicants shall not be subjected to harassment, intimidation, threats, coercion or discrimination because they have: 1) filed a complaint; 2) assisted or participated in an investigation, compliance review hearing or any other activity related to the administration of any federal, state or local law requiring equal employment opportunity; 3) opposed any act or practice made unlawful by any federal, state, or local law requiring equal employment opportunity; or 4) exercised any other right protected by federal, state, or local law requiring equal opportunity.

The Company requires all management personnel to set an example for employees by intensifying their efforts in the fulfillment of this policy.

The Human Resources Department has overall responsibility for this policy and maintains reporting and monitoring procedures. Employees' questions or concerns should be referred to the Human Resources Department.

Appropriate disciplinary action may be taken against any employee willfully violating this policy.

## (3.3) Harassment Free Workplace

Carter is committed to a productive work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and is free from all forms of discrimination, including harassment on the basis of race, color, religion, gender, national origin, age, disability and genetic information. It is the policy of Carter to provide an environment free from such harassment. Therefore, the Company expects that all relationships among persons in the workplace will be business-like and free of bias, prejudice and harassment.

### 3.3.1 Definitions of Harassment

Harassment occurs when verbal or physical conduct that defames or shows hostility toward an individual because of race, color, religion, gender, national origin, age, disability, genetic information, or military status, or that of the individual's relatives, friends or associates; creates or is intended to create an intimidating, hostile, or offensive working environment; interferes or is intended to interfere with an individual's work performance; or otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to:

- epithets, slurs or negative stereotyping, threatening, denigrating jokes, intimidating or hostile acts which relate to race, color, religion, gender, national origin, age or disability and genetic information.
- written or graphic material that defames or shows hostility or aversion toward an individual or group because of race, color, religion, gender, national origin, age or disability and genetic information and that is placed on walls, bulletin boards, or elsewhere on the Company's premises or that is circulated within the workplace (including through e-mail).

**Individuals and Conduct Covered:** These policies apply to all applicants and employees, and prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, by a supervisor or manager or by someone not directly connected to the Company (e.g., an outside vendor, consultant or customer).

Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events, as well as social media. Any employee who believes they have been subject to any form of harassment should report the conduct immediately to Human Resources.

A thorough and impartial investigation of all complaints will be conducted in as timely and confidential a manner as possible. After appropriate investigation, any employee of Carter who has harassed another employee in violation of this policy will be subject to disciplinary action up to and including termination.



Retaliation Is Prohibited: The Company prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action up to and including termination.

### 3.3.2 Sexual Harassment

Carter will not tolerate sexual harassment in the workplace. No employee – either male or female – should be subject to unwelcome verbal or physical conduct that is sexual in nature or that shows hostility to the employee because of the employee’s gender. Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. Sexual harassment does not refer to the occasional compliments of a socially acceptable nature. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (I) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment (such as promotion, training, timekeeping, overtime assignments, leaves of absences, etc.); II) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (III) such conduct has the purpose or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: offering or implying an employment-related reward (such as in a promotion or raise) in exchange for sexual favors or submission to sexual conduct; threatening or taking of a negative employment action (such as termination, demotion, denial of a leave of absence) if sexual conduct is rejected; unwanted sexual advances, requests for sexual favors or repeated flirtations; unwelcome intentional touching of another person or other unwanted intentional physical conduct (including patting, pinching, or brushing against another person’s body); unwelcome sexually suggestive or flirtatious gifts, letters, notes, e-mail or voice mail; asking unwelcome questions or making unwelcome comments about another person’s appearance (outside the scope of dress code); sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature. Sex-based harassment that is, harassment not involving sexual activity or language (e.g., male manager yells only at female employees and not males) may also constitute discrimination if it is severe or pervasive and directed at employees because of their sex.

Any employee who believes they are being subjected to sexual harassment of any kind by anyone connected with their work is strongly encouraged – but not required – to promptly tell the person that the conduct is unwelcome and ask the person to stop the conduct. A person who receives such

a request must immediately comply with it and must not retaliate against the employee for rejecting the conduct.

Complaints of sexual harassment should be brought to the attention of the Director of Human Resources. The employee may also choose to raise the complaint through their immediate supervisor, who will in turn contact the Director of Human Resources. If the employee feels uncomfortable discussing the complaint with their immediate supervisor or one of the above officials, the employee should feel free to bypass their immediate supervisor and take the complaint to any other supervisor or officer of the Corporation. Similarly, that supervisor or officer must contact either of the individuals listed above.

**Investigation & Resolution:** After notification of the employee's complaint, an investigation by Human Resources will immediately be initiated to gather all facts about the complaint. After the investigation has been completed, a determination will be made by appropriate management regarding the resolution of the case. If warranted, disciplinary action up to and including termination will be imposed. Other appropriate actions will be taken to correct problems caused by the conduct. All complaints will be handled as confidentially as possible.

### 3.3.3 Retaliation

This policy also prohibits retaliation against employees who bring sexual harassment charges or assist in investigating charges. Retaliation in violation of this policy may result in disciplinary action up to and including termination. Any employee bringing a sexual harassment complaint or assisting in the investigation of such a complaint will not be adversely affected in terms of conditions of employment, nor discriminated against or terminated because of the complaint.

## (3.4) Americans with Disabilities Act Policy Statement

Carter is committed to complying with all applicable provisions of the Americans with Disabilities Act ("ADA"). It is the Company's policy not to discriminate against any qualified employee or applicant with regard to any terms or conditions of employment because of such individual's disability or perceived disability so long as the employee can perform the essential functions of the job. The Company will not discriminate against qualified individuals with medical conditions in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment. Consistent with this policy of nondiscrimination, the Company will provide reasonable accommodations to a qualified individual with a disability, as defined by the ADA, who has made the Company aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the Company. An individual who can be reasonably accommodated for a job, without undue hardship, will be given the same consideration for that position as any other applicant.

Employees with a disability who believe they need a reasonable accommodation to perform the essential functions of their job should contact the Human Resources Department. The Company encourages individuals with disabilities to come forward and request reasonable accommodation.

#### Procedure for Requesting an Accommodation

On receipt of an accommodation request, a member of the Human Resources Department and your supervisor will meet with you to discuss and identify the precise limitations resulting from the disability and the potential accommodation that the Company might make to help overcome those limitations.

The Company will determine the feasibility of the requested accommodation considering various factors, including, but not limited to the nature and cost of the accommodation, the availability of tax credits and deductions, outside funding, The Company's overall financial resources and organization, and the accommodation's impact on the operation of the Company, including its impact on the ability of other employees to perform their duties and on Company ability to conduct business.

The Company will inform the employee of its decision on the accommodation request or on how to make the accommodation. If the accommodation request is denied, employees will be advised of their right to appeal the decision by submitting a written statement explaining the reasons for the request. If the request on appeal is denied, that decision is final.

The ADA does not require the Company to make the best possible accommodation, to reallocate essential job functions, or to provide personal use items (i.e., eyeglasses, hearing aids, wheelchairs etc.).

An employee or job applicant who has questions regarding this policy or believes that he or she has been discriminated against based on a disability should notify the Human Resources Department. All such inquiries or complaints will be treated as confidentially as possible, to the extent permissible by law.

### (3.5) Reporting an Incident

Carter is committed to the highest possible standards of ethical, moral and legal business conduct; as such the Company strongly urges the reporting of all incidents of discrimination, harassment, retaliation, or illegal business practice regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to Company's policy or who have concerns about such matters should file their complaints with the President, C.E.O., C.O.O. or Director of Human Resources before the conduct becomes severe or pervasive. Individuals should not feel obligated to file their complaints with their immediate supervisor first before bringing the matter to the attention of one of the other designated representatives identified above.

### 3.5.1 Important Notice to All Employees

Employees who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. An employee's failure to fulfill this obligation could affect his or her rights in pursuing legal action. Also, please note, federal, state and local discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws.

Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Company strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. The Company will make every effort to stop alleged harassment before it becomes severe or pervasive, but can only do so with the cooperation of its staff/employees.

The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

### 3.5.2 The Investigation

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge.

Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

### 3.5.3 Responsive Action

Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Responsive action may include, for example, training, referral to counseling, monitoring of the offender and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension without pay or termination, as Company believes appropriate under the circumstances.

If an employee making a complaint does not agree with its resolution, the employee may appeal to the Company President or C.E.O.

Individuals who have questions or concerns about these policies should talk with V.P. of Human Resources or a member of the Human Resources Department.

Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in

business or work-related social activities or discussions in order to avoid allegations of harassment. The law and the policies of the Company prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and perquisites of employment. The prohibitions against harassment, discrimination and retaliation are intended to complement and further these policies, not to form the basis of an exception to them.

### (3.6) Whistleblower Policy

Any Carter employee or external third party is encouraged to report concerns about Carter's personnel or business operations through the Whistleblower Hotline.

Carter requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

If you believe that you have witnessed, or have sufficient information, regarding operating or employee practices that you feel are inappropriate or wrong and which are material you are encouraged to report them with sufficient detail through the Whistleblower Hotline 1-888-289-5020.

When reporting your concerns you may identify yourself, or if you prefer, report anonymously. No employee, or other person or group, who in good faith reports a concern or violation of applicable laws and regulations, shall suffer harassment or retaliation as a result of making such a report.

The types of concerns that should be reported include:

- **Misconduct:** Misconduct is defined as behavior which is contrary to regulations or norms which the organization could reasonably expect to be followed
- **Violation of Code of Ethics, Policies or Procedures:** The code of ethics and Carter's policies are outlined in the employee handbook
- **Illegal Activities:** Activities which violate federal, state or local law, and which occur during, or are associated with, the conduct of Carter's business
- **Endangering or abusing Carter's property or threatening the physical well-being of employees or clients:** Any unsafe, reckless, destructive or violent action which could harm employees or clients or result in the destruction of Carter's property
- **Falsification of Records:** This includes, but is not limited to, falsifying data on employment forms, time cards, medical records or reports, expense reports, and other job-related documents

Reports received through the Whistleblower Hotline are routed to the Director of Human Resources and processed in a timely manner. Every effort will be made to ensure confidentiality to the extent possible.

### (3.7) Initial Employment Period

Every new employee goes through an initial period of adjustment in order to learn about the company and learn their job. During the initial 180 calendar days of employment all employees will serve an introductory period. Additionally, the initial employment period gives the employee's supervisor a reasonable period of time to evaluate the employee's performance. This is a key period of time to evaluate the employees for an apparent job/position match and the ability to successfully perform the job/position functions. During this time, the new employee will be provided with training and guidance from their Supervisor. If it is determined that the employee is not a suitable match, their employment will be terminated. Under appropriate circumstances, the initial employment may be extended.

In the event that the employee is not terminated, continuation of employment is not intended to be a contract and employment-at-will is still intended. Continuation of employment will mean that the job selection criteria and selection process has been effective in selecting an employee who appears to be a suitable match and has the potential to perform the work of the position based upon an analysis and observation after the introductory period. We may not be able to accurately assess all of the strengths and weaknesses of the employee's potential performance in this amount of time. Additionally, job requirements and daily responsibilities may change due to product or service development, advanced technology, customer service, and regulatory requirements. Carter is committed to providing educational assistance, in-house training and career guidance to all employees who demonstrate an interest and willingness to meet these challenges.

Additionally, after the initial introductory period, as true at all time during an employee's employment at Carter, employment is not for a specific amount of time and may be terminated at will, with or without cause and without prior notice.

### (3.8) Orientation Program

All employees will be required to attend a new employee orientation program. Formalities such as the completion of tax withholding forms, authorization to work, in-cab technology training, regulatory qualification forms etc. are completed during this orientation. New employees will have their photos taken at this time. Additionally, the orientation for all benefits will be conducted. Orientation is compensated at a flat rate for all new hire drivers.

Driver Trainees will be required to complete two extra days of in classroom orientation which includes additional training such as utilizing the driving simulator, map reading and safety training.

Finishing Program:

Trainees will be required to complete a minimum of 5 additional weeks of in-truck training which includes 1 week of backing training in a controlled environment, 2 weeks of local driving training

with an experienced driver and 2 weeks of over the road driving training with an experienced driver. Trainees in the finishing program will be compensated at a flat rate per week.

### (3.9) Employee Classification for Drivers

Based on the conditions of employment, employees of the Company fall into the following categories:

- Full-Time
- Part-Time / Casual
- Temporary / Lease Drivers

#### 3.9.1 Full-Time

A Full-Time employee is to be available for work at least 5 of the 7 days of the week, including weekends. To be classified as a Full-Time employee for Health Insurance and Voluntary benefits, an employee must maintain an average of 30 hours per week (or mileage equivalent for drivers) or more over a 12 month period to maintain Health Insurance and Voluntary benefits eligibility.

**3.9.2 Part-Time / Casual Status** Casual drivers are required to work a minimum of at least one day per month to maintain casual status.

#### 3.9.3 Temporary / Lease Drivers

A temporary employee/driver is paid by the lease company under the contracted terms of employment and do not receive any additional compensation or benefits provided by the Company.

## Wages & Records

In order to attract and retain a highly qualified and competent work force, the Company has instituted a performance management program to compensate employees in a fair and equitable manner based upon demonstrated job performance, and in accordance with its Equal Employment Opportunity policy.

### (4.1) Compensation

Employees may be paid by check or through direct deposit of funds to either a savings or checking account at their bank of choice. To activate direct deposit, a Direct Deposit Authorization form from Human Resources must be completed and returned with a voided personal check.

Payroll checks, direct deposit pay stubs and settlement sheets are distributed every Friday by Human Resources. You can also review this information online using the Pay Details website. You will receive log-in information in your new hire orientation. If you wish to review your pay stubs online only, you can opt out of paper pay stubs by notifying Human Resources.

All new hires have a two week hold back of payroll. Payroll is weekly, but the first check will be distributed two weeks following your first week of work.

It is the Company's policy that employee paychecks will only be given personally to that employee. All other arrangements for mailing or pick-up must be made in advance and in writing with the Human Resources Department.

If the normal payday falls on a Company-recognized holiday, paychecks will be distributed one workday prior to the aforementioned schedule. Under no circumstances will the Company release any paychecks prior to the announced schedule.

In the event of a lost paycheck, the Human Resources Department must be notified in writing as soon as possible before a replacement check can be issued. In the event the lost paycheck is recovered and the Company identifies the endorsement as that of the employee, the employee must remit the amount of the replacement check to the Company within 24 hours of the time it is demanded.

If an employee requests the Payroll Department to issue a replacement check (manual check), the employee will incur the appropriate bank charges. Bank charges may be incurred for the following



reasons: a check was lost, the check was damaged by employee or the employee did not notify the Payroll Department of changes in banking information.

If a payroll check (manual) is mailed and not received by employee or lost by employee, the Payroll Department cannot issue a replacement check until the following pay period.

A statement of earnings is given each pay period to employees indicating:

- Gross Pay
- Statutory Deductions
- Voluntary Deductions

The amount of Federal withholding is affected by the number of exemptions claimed on Form W-4, Employee's Withholding Allowance Certificate. If an employee's marital status changes or the number of exemptions previously claimed increases or decreases, a new Form W-4 must be submitted to the Human Resources Department.

Each driver is allowed two cash advances up to \$75.00 each via comcheck during your time with Carter Express. These are typically given in the first couple of weeks, until drivers receive their first paycheck.

#### 4.1.1 Settlement Sheets

Settlement sheets are to help the drivers keep track of their loads and when they will pay. It is a “preview sheet” of the next week’s pay. Every settlement sheet is audited to try to catch anything that may be missing such as: stop pay, possible missing moves, layover, breakdown etc. These are mailed weekly to drivers that opted to receive settlement sheets and paystubs on paper. The paystubs are for the work they did two weeks prior and the Settlement sheet is for the next week’s pay. Once the settlement sheets have been audited, they are all uploaded to the Carter website and can be seen online. Drivers who did not opt to receive their paystubs and settlement sheets on paper have the option to go to the Carter website to view their settlement sheet. It is the driver’s responsibility to review their settlement sheets to ensure that the information within is correct.

#### 4.1.2 Per Diem

Per diem is a tax credit for the drivers that are at least 50 miles away from their home terminal overnight. Per diem drives taxable income down so less taxes are taken from the driver’s pay. Per diem is outsourced to Atlantic HR. Any questions on per diem can be directed to Atlantic HR.

<https://www.atlantichrsolutions.com/>

<https://www.ahrsmobile.com/fleet/ahrsmobile-per-diem-app/>

Atlantic HR phone number: (800)-577-3163

## (4.2) Time Records

The attendance of all employees is recorded daily by each department and the electronic time clock and is submitted to the Human Resources Department weekly. Our attendance records are the Company records, and care must be exercised in recording the hours worked and absences. Employees are not to clock or sign in or out for other employees. Violations of this policy may result in appropriate disciplinary action, up to and including immediate discharge.

A driver should clock or sign in between 30 and 60 minutes prior to their work schedule, in order to complete all pre-trip requirements and be able to depart at their scheduled time. Drivers cannot clock in more than 60 minutes prior to their schedule departure time without prior supervisor approval.

If an employee forgets to clock or sign in or out, he or she must notify his or her supervisor immediately so the time may be accurately recorded for payroll.

You can review your hours using the online pay details website.

## (4.3) On-Call / Guarantee Positions

Some positions require on-call responsibilities to ensure we are providing the best level of service possible to our customers. Each terminal defines their on-call responsibilities differently based upon customer need. The following is a list of, but not limited to, responsibilities for the Guarantee Driving Position:

- Guarantee Drivers set the example for the rest of the fleet and are expected to maintain a positive and professional attitude.
- Be on time where Safety and DOT regulations allow and maintain communications in instances that routes are behind schedule.
- Driver must be prepared and have necessities in their truck to accommodate long haul routes and inclement weather.
- Driver can only refuse work due to Safety or DOT related issues.
- Driver is on call and must respond within 30 minutes of receiving a call from dispatch.
- Driver must be able to report to terminal within 1 hour of initial call.
- Failure to be available or report to work with available hours when requested will result in forfeiture of daily guarantee pay.
- Driver must sign the terminal specific guidelines when accepting the role of Guarantee Driver to certify they understand rules and expectations.
- Failure to meet the guidelines of the position could result in removal from the position.

## (4.4) Personnel Records

Personnel Records are the sole property of the Company. If for any reason you obtain information regarding the pay details of another employee you should keep that information confidential and immediately report to HR the source of that information. Not reporting this information and/or not keeping it in confidence will lead to disciplinary action, up to and including termination.

To keep necessary Company records up to date, it is extremely important that you notify the Human Resources Department of any changes in:

- Name and/or marital status
- Address and/or telephone number
- Number of eligible dependents
- W-4 deductions
- Person to contact in case of emergency

## (4.5) Photographic Identification

For purposes of identification, all employees will be photographed, upon hire, with photographs placed on the internal company server. The photos on the company server are not to be tampered with or deleted, they are a part of each employee's human resources file.

## Employee Benefits

### (5.1) Health, Life & Disability Insurance

#### DISCLAIMER

The Company has established a variety of employee benefit programs designed to assist you and your eligible dependents in meeting the financial burdens that can result from illness and disability, and to help you plan for retirement. This portion of the Employee Handbook contains a very general description of the benefits to which you may be entitled as an employee of the Company. Please understand that this general explanation is not intended to, and does not, provide you with all the details of these benefits. Therefore, this Handbook does not change or otherwise interpret the terms of the official plan documents. Your rights can be determined only by referring to the full text of the official plan documents, which are available for your examination from the Human Resources Department. To the extent that any of the information contained in this Handbook is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases.

Please note that nothing contained in the benefit plans described herein shall be held or construed to create a promise of employment or future benefits, or a binding contract between the Company and its employees, retirees or their dependents, for benefits or for any other purpose. All employees shall remain subject to discharge or discipline to the same extent as if these plans had not been put into effect.

As in the past, the Company reserves the right, in its sole and absolute discretion, to amend, modify or terminate, in whole or in part, any or all of the provisions of the benefit plans described herein, including any health benefits that may be extended to retirees and their dependents. Further, the Company reserves the exclusive right, power and authority, in its sole and absolute discretion, to administer, apply and interpret the benefit plans described herein, and to decide all matters arising in connection with the operation or administration of such plans.

For more complete information regarding any of our benefit programs, please refer to the Summary Plan Descriptions, which were provided to you separately or contact the Human Resources Department. If you lost or misplaced those descriptions, please contact the Human Resources Department for another copy.

### 5.1.1 Health Benefit Policies Summary

All employees are subject to a waiting period for various insurance offerings. HR will outline these waiting periods during your orientation.

Major Medical, Dental, and Life Insurance plans are available to full time employees. The Company does have Spousal Exclusion in place; if your Spouse is employed and is eligible for his or her company's health insurance, that Spouse will not be eligible for our health insurance.

### 5.1.2 Health Benefit Enrollment and Eligibility

New employees must elect their benefits before the date they become eligible. If you are a new employee and you fail to make an election of benefits by the date you are eligible for benefits, you will not be eligible for benefits again until the next calendar year. You will also need to elect benefits that will become effective on January 1st of the next calendar year during open enrollment which typically occurs in the last quarter of the year.

You will cease to be a participant of the health insurance plan as of the date of your termination of employment. If, however, you return to full time status within 30 days of your termination date, you will be able to pick up your health insurance with no waiting period. However, coverage is not allowed on the days that you were not employed by Carter. Cobra is an option for health insurance coverage for the days between the termination and reinstatement of your employment.

### 5.1.3 Benefit Plan Payments

The payments for your health insurance premiums will come out of each paycheck in the Plan Year while you are eligible for coverage (not including payroll dates before the election of benefits). (Please see Benefit Plan Changes in Status 5.1.4)

If you do not get paycheck for any reason at any point throughout the year, your health insurance premiums for the skipped paycheck will still need to be made up. Contact Human Resources for help on making up the premiums that have been missed.

### 5.1.4 Benefit Plan Changes in Status

If you do elect benefits as a new employee or open enrollment, you will not be able to change those elections unless you meet one of the following criteria:

- A change in your marital status (your marriage or divorce).
- Birth or adoption of a child or otherwise acquiring dependent children.
- Death of a dependent.
- A change in your child's eligible dependent status (such as your child's marriage or your child reaching the age where he or she is no longer your dependent).
- Changes in you or your spouse's employment status from full-time to part-time or part-time to full-time or a new job or job loss for your spouse.
- A significant change in the health coverage attributable to your spouse's employment.
- You or your spouse take or return from an unpaid leave of absence.

- A geographic change that affects access to health coverage or that otherwise permits an election change under IRS rules.
- You or your spouse or dependent becomes eligible for Medicare or Medicaid.
- Any other change in circumstances that allows change in election under IRS rules.

If one of these events occurs, you will be able to change your election in a manner that is consistent with the change in status by following the procedure described in the enrollment materials for the Plan. You must submit notice of a change within 30 days of the date on which the change occurred. Any such change will be effective as of the first pay period immediately following the date on which the Plan Administrator receives your written notice.

If you lose eligibility and regain it in the same calendar year, you will not be allowed to change the elected benefit until open enrollment which takes effect at the beginning of the next calendar year.

### 5.1.5 Federal Tax Consequences

The Company intends that Premiums paid under the Plan will be excludable from income for federal income and employment tax purposes. The Company does not, however, make any commitment or guarantee that any benefits under the Plan will be excludable from income for tax purposes.

**If the Company does not withhold taxes on your non-cash benefits under the Plan, and those benefits are later found by the Internal Revenue Service to be includable in taxable income, you will be required to reimburse the Company for the amounts that it should have withheld from your wages and for any interest or late fees the government assesses on those amounts.**

### 5.1.6 Company Life Insurance and Other Elective Benefits

Carter provides a \$15,000 life insurance policy to every full-time employee at no cost to the employee.

Carter also offers elective benefits such as voluntary term life, short term disability, long term disability, accident and critical illness insurance policies that are paid by the employee. Please see HR for more information regarding these benefits.

### 5.1.7 Workers' Compensation Benefits

The Company is covered under statutory state Workers' Compensation Laws. Should you sustain a work-related injury, you must immediately notify your department supervisor and the Department of Safety and Risk Management. A mandatory drug screen will be conducted. Should your injury require the attention of a doctor or in the case of an emergency, you should go to the nearest hospital emergency room for treatment or Med One. The Company is not required to continue health insurance benefits while an employee is on Worker's Compensation. Employees should contact Human Resources regarding the status of their voluntary benefits when beginning any type of leave.

U.S. Department of labor regulations specifically permit the running of FMLA leave concurrently with worker's compensation where the employee's on-the-job injury also constitutes an FMLA-

covered “serious” health condition, additionally; as long as proper notice is provided. Please see section 5.11 for more information on FMLA.

## (5.2) Retirement & Income Saving Plan (401K)

Eligibility: An employee must complete 2 months of service and be 21 years old or older

Enrollment: Any time after the 2 month period has been completed.

Contribution: Up to 75% of eligible pay not exceeding government guidelines for that year.

Company Match: 100% of the first 2% of the employee contribution and 50% of the next 2% of employee contribution. Employees that contribute 4% of pre-tax wages will receive an additional 3% from the company’s matching program.

Vesting Schedule:

Less than 2 years	0%
2 years	20%
3 years	40%
4 years	60%
5 years	80%
6 or more years	100%

## (5.3) Quarterly Driver Performance Bonus

Drivers are eligible for performance bonus after they run their first route (excluding orientation and training pay). This bonus is paid on the 45th day following the quarter end, always on the Friday following the 15th of the month. Eligible employees must be actively employed, full time with the Company and in good standing to receive the bonus when the bonus is paid out. Bonus deductions can be made for the following reasons:

### *Attendance*

- Excused Absence (<48 hours notice)
- Unexcused Absence (within 48 hours)
- Call Off (within 4 hours of departure)
- Failure to Depart on Time
- Refusal to Run with Hours

### *Safety*

- Failure to Attend Quarterly Safety Meeting
- Preventable Accident
- DOT Violations
- HOS Violations
- Moving Violations
- Unsafe Violations (including: Speeding 6mph+, Speeding in Construction, Handheld Device etc.)
- Failure to Turn in Tickets/Violations

Failure to Turn in DRIR/Logs/Paperwork

*Camera*

Camera Obstruction  
Handheld device usage

*Truck cleanliness*

Documented Offense

*Unauthorized Use of Company Equipment*

Documented Offense

*Miscellaneous Performance Issues/Write-ups*

The company reserves the right to determine bonus deductions for performance and behavioral issues unforeseen and not outlined by this document if the offense is documented, discussed with and signed by the employee.

Carter reserves the right to change this policy at any time without notice and to use it's discretion on a case-by-case basis.

## (5.4) Time Off

Time away from work to relax and pursue special interest is important for everyone. All full-time employees and those that are not currently on extended medical leave of absence, are eligible for vacation benefits. Unless specifically noted below, no vacation benefits have an equivalent cash value upon resignation, termination, or retirement.

### 5.4.1 Paid Vacation Days

Vacation Days require 48 hour notice and must be approved by your supervisor. Vacation day preference will be based on the date of request and/or seniority and approval is at the judgment of management and is therefore not guaranteed. Typically, no more than 10% of a job type/shift will be allowed vacation at the same time. Unused vacation days will not be carried over into the next calendar year without written exception by your Supervisor and Human Resources.

### 5.4.2 Solo Driver Vacation Policy

The vacation day schedule for drivers is as follows:

Year	Days
1	5 days
3	10 days
10	15 days



Solo driver vacation benefits renew on the driver's hire date, not at the first of the year.

### 5.4.3 Team Driver Vacation Policy

Team drivers will earn a week of paid vacation for every \$28,000 of gross wages earned. This equates to 80,000 miles driven by a board team and equivalent pay to dedicated routes with stops. The wages include all work pay, such as detention, stop and layover, but excludes bonus and vacation. Using gross wages keeps it fair for all route types. This means every \$28,000 a driver earns will trigger a week of vacation. The week of vacation will be paid at a flat rate of \$1000 per week.

Program Details:

- Paid vacation days must be requested and approved in writing by operations.
- Only three weeks of vacation (15 days) can be accrued at any one time. If a driver has 15 days accrued when they reach a fourth week of vacation, that week will automatically be paid out at \$1000.
- We encourage drivers to consider saving their vacation days for shutdown periods around the 4th of July and Christmas holidays if your route will be down.
- Vacation requests may be denied if there are already a large number of drivers requesting the same days off, please think ahead and submit requests for time off as soon as possible.
- While approved vacation can be taken in one day increments, vacation can only be sold in one week increments and will be paid \$1000 per week. Operations must sign a vacation request in order for the week to be sold.
- Drivers with ten or more years will be grandfathered into their current vacation program.

### 5.4.4 Unpaid Time Off

Drivers are eligible to take up to two unpaid days off per quarter. Drivers must request this time off at least 48 hours in advance and are subject to supervisor approval. These days do NOT accumulate or roll-over into the following quarter.

## (5.5) Holidays

There are two paid holidays each year: Thanksgiving Day and Christmas Day. The holiday pay is in addition to any mileage or hourly pay that you may receive for running on a holiday. Holidays are not guaranteed days off in the logistics industry.

## (5.6) Bereavement

Drivers with one or more years of seniority at Carter are eligible to take up to two paid days of bereavement following the death of an immediate family members or member of the immediate in-law family. Immediate family, in terms of this policy, is described as a spouse, parent, grandparent, sibling or child. The Human Resources team will need a document of proof to authorize the paid days; this can include obituaries, funeral programs and/or death certificates.

Please contact your immediate supervisor for any situations falling outside of these perimeters.

## (5.7) Jury Duty

A leave of absence for jury duty will be granted to any full-time or part-time employee who has been notified to serve. Upon receipt of the notice to serve jury duty, the employee should immediately notify his/her supervisor, as well as the Human Resources Department. Additionally, a copy of the notice to serve jury duty should be attached to the employee's attendance record for attendance purposes. Jury duty is non-paid by the Company although if vacation days are available, they may be used at the employee's request.

Upon the employee's return, the employee must notify Human Resources and must submit a signed Certificate of Jury Service indicating the number of days served.

## (5.8) Military Duty/USERRA

An employee who is a member of the United States Army, Navy, Air Force, Marines, Coast Guard, National Guard, Reserves or Public Health Service will be granted in accordance with applicable law. Employees on military leave may substitute their accrued paid leave time for unpaid leave. At the conclusion of the leave, upon the satisfaction of certain conditions, an employee generally has a right to return to the same position he or she held prior to the leave or to a position with like seniority, status and pay that the employee is qualified to perform.

### 5.8.1 Continuation of Health Benefits

During a military leave an employee is entitled to continued group health plan coverage under COBRA for up to 18 months or USERRA for 24 months, but will be required to pay the premium for the continuation of coverage.

### 5.8.2 Requests for Leave

#### i. Leave for Active or Reserve Duty

Upon receipt of orders for active or reserve duty, an employee should notify his/her supervisor, as well as Human Resources, as soon as possible, and submit a copy of the military orders to his/her supervisor and the Human Resources Department (unless he/she is unable to do so because of military necessity or it is otherwise impossible or unreasonable).

#### ii. Leave for Training and Other Related Obligations (e.g., fitness for service examinations)

Employees will also be granted time off for military training (normally 14 days plus travel time) and other related obligations, such as for an examination to determine fitness to perform service. Employees should advise their supervisor and/or department head of their training schedule and/or other related obligations as far in advance as possible.

### iii. Return from Military Leave/Notice Required

Upon return from military service, an employee must provide notice of or submit an application for reemployment in accordance with the following schedule:

- a. An employee who served for less than 31 days or who reported for a fitness examination, must provide notice of reemployment at the beginning of the first full regular scheduled work period that starts at least eight hours after the employee has returned from the location of service.
- b. An employee who served for more than 30 days, but less than 181 days, must submit an application for reemployment no later than 14 days after completing his/her period of service, or, if this deadline is impossible or unreasonable through no fault of the employee, then on the next calendar day when submission becomes possible.
- c. An employee who served for more than 180 days must submit an application for reemployment no later than 90 days after the completion of the uniformed service.
- d. An employee who has been hospitalized or is recovering from an injury or illness incurred or aggravated while serving must report to the Human Resources Department (if the service was less than 31 days), or submit an application for reemployment (if the service was greater than 30 days), at the end of the necessary recovery period (but which may not exceed two years).

### iv. Required Documentation

An employee whose military service was for more than 30 days must provide documentation within two weeks of his/her return (unless such documentation does not yet exist or is not readily available) showing the following: (I) the application for reemployment is timely (i.e. submitted within the required time period); (II) the period of service has not exceeded five years; and (III) the employee received an honorable or general discharge.

## (5.9) Time Off to Vote

On days when elections for public office ("elections for public office" includes elections for sheriff, school board, district attorney, and all primary and general elections) are scheduled throughout the state, county, city or town in which the employee works, voting is encouraged. No employee will be penalized or retaliated against for requesting time off to vote.

## (5.10) Absence Due to Illness

To keep the business and each department running smoothly and efficiently, it is important that every employee be on the job, on time as scheduled. For this reason, careful attention is given to promptness, absence record and overall dependability.

The Company recognizes, however, that an employee may occasionally be disabled by injury or illness to them or a dependent for whom they are responsible.

Employees unable to report to work due to illness must telephone on-call dispatch directly and **speak** with the on-duty supervisor, each day of their absence, as far in advance as possible. Please note the name of the supervisor that took your information. Employees may **NOT** email, send a text message or leave a voicemail regarding their absence; such instances will not count as official notice of the absence.

If an employee is unable to make the call personally, a family member or a friend should contact the on-duty supervisor. Dispatch and the on-duty supervisor must be contacted each day of an absence. An employee who fails to contact dispatch may be considered as having voluntarily resigned. This policy must be followed unless an exception has been made for a particular absence, and a written memo to this effect has been sent to the Human Resources Department.

All absences due to illness, will be classified as an unexcused absence. However, documentation provided to support the reason of the unexcused absence will be taken into consideration.

If the company has questions about the nature or length of an employee's disability, a written certification from a physician or licensed health care professional may be required.

## (5.11) FMLA

The Family and Medical Leave Act (FMLA) provides eligible employees with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12 month period. During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

### 5.11.1 Employee Eligibility Criteria

To be eligible for FMLA leave, an employee must have been employed by Company:

- at least 12 months
- at least 1,250 hours during the 12 month period immediately preceding the commencement of the leave; and
- at a worksite (a) with 50 or more employees; or (b) where 50 or more employees are located within 75 miles of the worksite.

The **Indiana Military Family Leave Act, IMFLA**, effective July 1, 2007, provides eligible employees 10 days of unpaid leave who have an active duty military family member. Eligible employees are those that have been employed for the previous 12 months, worked at least 1500 hours during that 12 months prior to requested leave, and is the biological mother or father, adopted mother or father, or court appointed guardian or custodian, biological grandparent, siblings; defined as brother, sister, half-brother, half-sister or brother or sister through adoption, of a soldier performing full time service for more than 89 consecutive calendar days. For more information on the IMFLA, contact the Human Resources Department.

## Events Which May Entitle An Employee to FMLA Leave:

FMLA leave may be taken for any one, or for a combination of, the following reasons:

- the birth of the employee's child or to care for the newborn child;
- the placement of a child with the employee for adoption or foster care or to care for the newly placed child;
- to care for the employee's spouse, child or parent (but not in-law) with a serious health condition; and/or
- the employee's own serious health condition that makes the employee unable to perform one or more of the essential functions of his or her job.

A "serious health condition" is an injury, illness, impairment, or physical or mental condition that involves inpatient care or continuing treatment by a health care provider.

[NOTE: A more detailed definition of "serious health condition" can be found in the Department of Labor's Certification of Health Care Provider Form (Form WH-380-January 2009).]

On January 28, 2008, President Bush signed into law H.R. 4986, the National Defense Authorization Act for FY 2008 (NDAA), Pub. L. 110-181. Among other things, section 585 of the NDAA amends the Family and Medical Leave Act of 1993 (FMLA) to permit a "spouse, son, daughter, parent, or next of kin" to take up to 26 workweeks of leave to care for a "member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness."

### 5.11.2 Amount of FMLA Leave

An eligible employee is entitled to up to 12 workweeks of unpaid leave during a 12 month period for any FMLA qualifying reason(s). The company calculates this using a rolling 12 month period measured backward from the date an employee uses any FMLA leave.

### 5.11.3 Limitations on FMLA Leave

Leave to care for a newborn or for a newly placed child must conclude within 12 months after the birth or placement of the child.

When both spouses are employed by the company, they are together entitled to a combined total of 12 workweeks of FMLA leave within the designated 12 month period for the birth, adoption or foster care placement of a child with the employees, for aftercare of the newborn or newly placed child, and to care for a parent (but not in-law) with a serious health condition. Each spouse may be entitled to additional FMLA leave for other FMLA qualifying reasons (i.e., the difference between the leave taken individually for any of the above reasons and 12 workweeks, but not more than a total of 12 workweeks per person).

For example, if each spouse took 6 weeks of leave to care for a newborn child, each could later use an additional 6 weeks due to his/her own serious health condition or to care for a child with a serious health condition.

#### 5.11.4 Intermittent Or Reduced Work Schedule Leave

Intermittent leave is leave taken in separate blocks of time. A reduced work schedule leave is a leave schedule that reduces an employee's usual number of hours per workweek or hours per workday.

Leave to care for a newborn or for a newly placed child must be taken all at once and may not be taken intermittently or on a reduced work schedule.

If an employee takes leave intermittently or on a reduced work schedule basis, the employee must, when requested, attempt to schedule the leave so as not to unduly disrupt the Company's operations. When an employee takes intermittent or reduced work schedule leave for foreseeable planned medical treatment, Company may temporarily transfer the employee to an alternative position with equivalent pay and benefits for which the employee is qualified and which better accommodates recurring periods of leave.

#### 5.11.5 Requests for FMLA & Required Documentation

An employee should request FMLA leave by completing the Employer's Request for Leave form and submitting it to Human Resource Department.

When leave is foreseeable for childbirth, placement of a child or planned medical treatment for the employee's or family member's serious health condition, the employee must provide Company with at least 30 days advance notice, or such shorter notice as is practicable (i.e., within 1 or 2 business days of learning of the need for the leave). When the timing of the leave is not foreseeable, the employee must provide Company with notice of the need for leave as soon as practicable (i.e., within 1 or 2 business days of learning of the need for the leave).

**Required Documentation:** When leave is taken to care for a family member, Company may require the employee to provide documentation or statement of family relationship (e.g., birth certificate or court document).

An employee may be required to submit medical certification from a health care provider to support a request for FMLA leave for the employee's or a family member's serious health condition. Medical certification forms are available from Human Resource Department.

If Company has reason to doubt the employee's initial certification, Company may: (i) with the employee's permission, have a designated health care provider contact the employee's health care provider in an effort to clarify or authenticate the initial certification; and/or (ii) require the employee to obtain a second opinion by an independent Company-designated provider at Company's expense. If the initial and second certifications differ, Company may, at the employees

expense, require the employee to obtain a third, final and binding certification from a jointly selected health care provider.

During FMLA leave, Company may request that the employee provide recertification of a serious health condition at intervals in accordance with the FMLA. In addition, during FMLA leave, the employee must provide Company with periodic reports regarding the employee's status and intent to return to work. If the employee's anticipated return to work date changes and it becomes necessary for the employee to take more or less leave than originally anticipated, the employee must provide Company with reasonable notice (i.e., within 2 business days) of the employee's changed circumstances and new return to work date. If the employee gives Company notice of the employee's intent not to return to work, the employee will be considered to have voluntarily resigned.

Before the employee returns to work from FMLA leave for the employee's own serious health condition, the employee may be required to submit a fitness for duty certification from the employee's health care provider, with respect to the condition for which the leave was taken, stating that the employee is able to resume work.

FMLA leave or return to work may be delayed or denied if the appropriate documentation is not provided in a timely manner. Also, a failure to provide requested documentation of the reason for an absence from work may lead to termination of employment.

#### 5.11.6 Use of Paid and Unpaid Leave

FMLA provides eligible employees with up to 12 workweeks of unpaid leave. If an employee has paid leave available, however, the employee must use at least half of their qualifying paid leave first and can use more of their paid time if they prefer. If the employee has an odd number of paid days available, we will round down on the number of days taken (e.g. if they have 5 days, 2 days will be used for FMLA, leaving 3 days for the employee). "Qualifying paid leave" is leave that would otherwise be available to the employee for the purpose for which the FMLA leave is taken; such as vacation days. The remainder of the 12 workweeks of leave, if any, will be unpaid FMLA leave. Any paid leave used for an FMLA qualifying reason will be charged against an employee's entitlement to FMLA leave. This includes leave for disability or workers' compensation injury/illness, provided that the leave meets FMLA requirements. The substitution of paid leave for unpaid leave does not extend the 12 workweek leave period. An employee's disability benefits will override their use of paid leave.

[NOTE: The FMLA gives the employer the right to require that the employee use qualifying paid leave prior to taking unpaid FMLA leave. The Department of Labor takes the position that an employee's receipt of workers' compensation or disability payments precludes the employee from electing, and prohibits the employer from requiring, substitution of accrued paid leave for any part of the absence covered by such payments.]

#### 5.11.7 Designation of Leave

Company will notify the employee that leave has been designated as FMLA leave. Company may provisionally designate the employee's leave as FMLA leave if Company has not received medical certification or has not otherwise been able to confirm that the employee's leave qualifies as FMLA leave. If the employee has not notified Company of the reason for the leave, and the employee desires that leave be counted as FMLA leave, the employee must notify Human Resource Department within 2 business days of the employee's return to work that the leave was for an FMLA reason.

#### 5.11.8 Maintenance of Health Benefits

During FMLA leave an employee is entitled to continued group health plan coverage under the same conditions as if the employee had continued to work. This does not apply to voluntary health benefits.

To the extent that an employee's FMLA leave is paid, the employee's portion of health insurance premiums will be deducted from the employee's salary. For the portion of FMLA leave that is unpaid, the employee's portion of health insurance premiums will be paid pursuant to a system voluntarily agreed to by Company and the employee. FMLA leave other than that of employee illness, will result in the employee responsible for 100% of the health insurance premiums which includes the company's portion to be deducted from the employee's salary or other mutually agreed upon repayment arrangements.

#### 5.11.9 Return from FMLA Leave

In order for a driver to return to work, a release must be provided from a treating physician stating that the employee is able to operate a commercial motor vehicle with no restrictions and must list an effective date. Upon return from FMLA leave, Company will place the employee in an equivalent position with equivalent pay, benefits and other employment terms.

#### 5.11.10 Limitations on Reinstatement

An employee is entitled to reinstatement only if he/she would have continued to be employed had FMLA leave not been taken. Thus, an employee is not entitled to reinstatement if, because of a layoff, reduction in force or other reason, the employee would not be employed at the time job restoration is sought.

#### 5.11.11 Failure To Return To Work Following FMLA Leave

If the employee does not return to work following the conclusion of FMLA leave, the employee will be considered to have voluntarily resigned. Company may recover health insurance premiums that Company paid on behalf of the employee during any unpaid FMLA leave.

Additional Information: For further information or clarification about FMLA leave, please contact Human Resource Department.



## (5.12) Educational Assistance

Carter is committed to providing financial assistance to eligible employees interested in pursuing business appropriate education in order to advance their career at Carter. Carter recognizes the mutual benefits derived from an employee's personal growth and increased work competence. The program should be a part of the development planning process with the manager and must be formally approved by the employee's direct supervisor or manager.

This policy applies to all active, full-time employees at Carter that are in good standing with the company and have been employed for at least one year. Participating employees must maintain acceptable job performance, as determined by their manager, throughout the course of study. Employees must also submit documentation of successfully completing the course with a passing grade and remain employed for at least two years following the completion of the reimbursed course.

Carter can only accept a limited number of employees into the Educational Assistance Program each year. Employees must complete an application process and receive management approval in order to be eligible for financial reimbursement. The manager and the employee each have a responsibility for understanding this policy and ensuring the course of study is one that will lead to a job-related degree and will further the employee's career development at Carter. The Director of Human Resources must approve the field of study and the academic institution before an employee is eligible for reimbursement. We must receive your application at least 60 days prior to the start of your academic term or class.

### 5.12.1 Other Financial Assistance

Employees are required to disclose any other financial assistance they are receiving from any other financial aid program as Carter will not duplicate financial assistance. However, the difference, if any, between such aid and the allowable costs under the Educational Assistance Program may be reimbursed in accordance with Carter's reimbursement policy.

### 5.12.2 Reimbursement

Carter will reimburse employees 50% of their academic costs up to a limit of \$5,250 per year, with a total limit of \$10,000 per employee. Academic costs include costs charged by the academic source to which the employee is enrolled and are defined as in-state tuition, fees and course/lab fees. All fees must be itemized. Fees unrelated to registering for a course or degree program will not be reimbursed, such as athletic fees, student health services, cultural event fees, etc.

### 5.12.3 Requirements for Reimbursement

Management may consider any current disciplinary action, job performance write-ups or personal conduct prior to approval of the application for reimbursement. Applicants shall receive 50% reimbursement of approved academic costs upon submitting evidence of satisfactory completion of

a preapproved course. Completion is defined as “Satisfactory,” “Pass,” or a grade of “C” or better for an undergraduate course and “B” or better for a graduate course. An “Incomplete” shall not be reimbursed until a final grade is issued. Requests for reimbursement must be made within 30 calendar days of completion of the course.

#### 5.12.4 Non-Reimbursable Expenses

Carter will not reimburse employees for textbooks and supplies, transportation costs, application, examination or graduation fees.

#### 5.12.5 Tax Status

Our Educational Assistance Plan is a qualified plan under IRS Code 127. It provides non-taxable educational assistance for employees who take undergraduate and graduate courses up to \$5,250.

#### 5.12.6 Repayment Requirements

An employee that receives reimbursement through the Educational Assistance Plan must sign a legally binding agreement that if he or she does not remain employed for at least two years following the completion of the reimbursement payment, he or she will be obligated to repay the assistance either through payroll deductions or other legal means. The repayment requirements apply for a resignation (voluntary termination) or for involuntary terminations, such as those for poor performance or handbook policy violations.

### (5.13) Employee Discounts

We have secured contracts with local vendors as well as our customers and suppliers to receive discounts on various goods and services. As a Carter employee you may be eligible for discounts on things such as new vehicles, gym memberships, personal banking, cell phone accounts, car rental and entertainment venues. A current list of discounts is kept on the Employee ENewsletter site at [www.carter-express.com/driver-eneews/](http://www.carter-express.com/driver-eneews/)

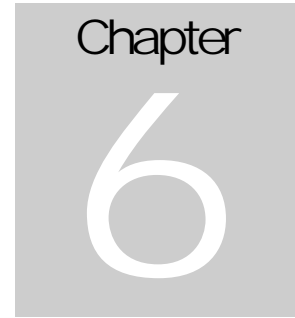
### (5.14) Carter Merchandise

We have an online store for all things Carter. You can find various apparel items as well as other household and travel goods with the Carter brand at

<https://carterexpress.mybrightsites.com/>

There is also a link to the site in our Driver Resources section of our website:

<https://carter-express.com/driver-resources/>



## On the Job

### (6.1) Attendance, Punctuality & Dependability

Regular attendance contributes to Carter's success and further ensures employment security for all team members. Dependability, attendance, punctuality, and a commitment to do the job right are essential at all times. Absenteeism reduces the quality and efficiency of operations and places hardships on fellow team members who report to work regularly and punctually. Therefore, regular attendance is one of the most important employment responsibilities of team members.

This policy addresses Carter's expectations and guidelines for attendance, absence notification, and corrective action for unapproved absences.

All team members are expected to arrive at work on time and to be at work for all scheduled work time. When applicable, on time includes being at the assigned work vehicle, with the appropriate safety equipment ready to begin work, at the beginning of the shift and after break periods.

Please see section 5.6 for our Bereavement Policy.

#### 6.1.1 Unexcused Absences

An unexcused absence is documented when a driver calls off/misses scheduled work time or fails to communicate with dispatch or accept dispatch with available hours without written time off approval (written document turned in by driver and approved/denied by dispatch).

All time off must be approved in advance with a minimum of 48 hours notice to be considered as an excused absence. Time off requests can be denied if the terminal location already has their maximum number of drivers scheduled off. It is important to turn in time off requests as soon as it is known that the time is needed. Holidays are not considered excused and must follow the approval process as our customers may require coverage depending upon their production. Any and all unexcused absences will be documented, regardless of reason, and be reviewed by the management team to determine if corrective action or bonus deductions are warranted. Driver has the right to object to any documentation via the Driver Relations department for review.

### 6.1.2 Corrective Action for Unexcused Absences

Documentation for unexcused absences will be recorded and processed as stated:

Unexcused Absence (within 48 hours):	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
Call Off (within 4 hours of departure):	1 <sup>st</sup> offense-100%
Failure to Depart On Time:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
Refusal to Run with Hours:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%

Absences will be counted for a rolling 12 month period of time.

Gross violation of the attendance policy can result in removal from dedicated route, suspension or termination at the discretion of Human Resources and Carter management.

### 6.1.3 Team Members in their Initial Employment Period

Since the evaluation period is for training and performance evaluation, attendance will be a critical factor in determining a driver’s continued employment at Carter.

### 6.1.4 Leaves of Absence

When a driver receives corrective action for attendance problems and subsequently becomes unavailable for work (MLOA, FMLA, or other approved leaves except Military Leave) during the period of time that the corrective action is active, the length of time the corrective action is active will be extended by the length of the leave of absence.

### 6.1.5 Employment Status

If a driver is absent for three (3) consecutive work days without notification by the end of the shift, this will be considered a voluntary resignation effective at the end of their regular shift on the third day.

Any employee walking off the job during their scheduled work time without permission from their Supervisor will be considered a voluntary resignation.

### 6.1.6 Punctuality

Tardiness disrupts the productiveness of the work environment and we therefore expect employees to report to work on time. We understand that things happen that are out of an employee’s control and therefore the first 3 tardy instances are verbal reprimands only. After three verbal reprimands the employee will receive a written warning. That written warning will also make the employee ineligible to receive their personal day the following quarter. The 5<sup>th</sup> instance of tardiness will result in a 3 day, unpaid lay off and the 6<sup>th</sup> instance of tardiness will be grounds for termination. Tardiness will be counted on a rolling quarter basis. However, more than 8 instances of tardiness in two consecutive quarters is grounds for termination.

Policy Amendments: Carter reserves the right to modify or terminate this policy at any time at its sole discretion.

## (6.2) Behavior & Dress Code

### 6.2.1 Dress Code

Drivers are to keep their personal dress, grooming, hygiene, and attitudes at a professional level that represents Carter Express in a positive manner to the public and customers. The driver dress code is as follows:

- Clothes will be kept neat and clean.
- Hair will be kept neat, clean and pulled back if long.
- Beards will be clean and neatly trimmed.
- Clothing should not display inappropriate language or graphics or have excessive rips, tears or holes in them.
- Any jewelry that could present a safety hazard, such as long necklaces, or loose jewelry that could be caught on things, should not be worn.
- While on shipping docks, you should wear hard, close-toed, rubber-soled shoes.
- Flip flops, sandals, slippers and open toed shoes of any kind are not permitted to be worn while driving or on Carter premises or customer/shipper premises.
- Drivers are required to wear high-visibility clothing or a safety vest anytime they are not inside the truck.

### 6.2.2 Name Badges

Due to CTPAT regulations, employees must wear their name badge at all times while on premises.

## (6.3) Employee Conduct

The Company requires order and discipline to succeed and to promote efficiency, productivity and cooperation among its employees. The orderly and efficient operations of the Company require that employees maintain proper standards of conduct at all times.

Employees who fail to maintain proper standards of conduct toward their work, their co-workers or the Company's customers, or who violate any of the Company's policies, are subject to appropriate disciplinary action, up to and including discharge.

### 6.3.1 Driver Behavior

We expect all employees to carry themselves in a polite and professional manner at all times. We understand that you will encounter people in bad moods, that will antagonize you or are simply just not friendly people. We do not expect or want you to replicate or react to their behavior. It is uncomfortable, we know. No one wants to be treated badly for any reason. We must act and react in a professional manner, regardless. Do not let their bad day become your bad day.

If you need assistance or find yourself in an unsafe environment, please contact Dispatch immediately.

## (6.4) Truck Housekeeping Guidelines

A neat and professional appearance to our public and our customers is a vital perception of a quality organization. It is Carter's policy that all areas maintain a neat, orderly and professional public appearance. Please keep the truck clean and organized at all times. Drivers are not permitted to modify any interior or exterior features of the truck. Any necessary equipment needed to be installed for your job duties must be done by Carter maintenance or an approved vendor. You may be asked to remove certain items from the truck if they are determined to be improper; failing to do so could result in bonus deductions and/or disciplinary action up to and including discharge.

### 6.4.1 Controversial and/or Political Paraphernalia

Please refrain from displaying any materials that may be deemed inappropriate, offensive or discriminatory. Please also refrain from displaying any political materials; this includes, but is not limited to, materials related to political parties, candidates and social groups. The driver is also responsible for any statements written in dust on the back of trailers. As a part of your pre-trip, please ensure any statements that are written on the trailer are removed before you start your route. We respect your right to your own opinions, political affiliations and social movements but as a company we will not allow those opinions to be displayed on our equipment. As a company we do not support any specific political party and only support the right for all individuals to vote and have their voice heard on their ballot.

## (6.5) Personal Relationships at Work

All team members are expected to exercise good judgment in their relationships with all fellow team members. If a personal relationship in your business group or area creates a conflict or the appearance of a conflict of interest or favoritism or is affecting your work, you need to let your manager or Human Resources know right away. The relationship may not involve you directly, but it may include a manager or fellow team member in your group. Managers should avoid any relationship or activity that may be perceived as affecting their ability to remain objective in managing team members.

If a personal relationship is creating an actual or perceived conflict of interest, the Company will take whatever action we determine is appropriate to eliminate the conflict situation.

**Important:** You are expected to cooperate in any fact-finding process. Violating this policy against actual or perceived conflict of interest is grounds for corrective action, which may include termination of your employment.

### 6.5.1 Examples of Conflict of Interest

Both personal and family relationships can create a possible conflict of interest. Examples of conflict-of-interest situations include but are not limited to:

- A romantic, sexual, or close social relationship between a manager and someone he or she manages, either directly (a team member who reports to that manager) or indirectly (any team member who is in the chain of reporting relationships below that manager or over whom the manager has significant influence, even if in a different business line).
- A work or reporting relationship between a team member and someone related to him or her.

## (6.6) Open Door Policy

The Company promotes an atmosphere whereby employees can talk freely with members of the management staff. Employees are encouraged to openly discuss with their supervisor any problems so appropriate action may be taken. If the supervisor cannot be of assistance, Human Resources is available for consultation and guidance. The Company is interested in all of our employees' success and happiness with us. We, therefore, welcome the opportunity to help employees whenever feasible.

## (6.7) Disciplinary Procedures –

Carter has established general guidelines to govern the conduct of its employees. However, no list of rules can include all instances of conduct that can result in discipline. The list below should not be used to replace sound judgment or common sense behavior. Examples of employee conduct, which would lead to discipline and the usual course of discipline, depending on the circumstances present in the matter, are listed according to the severity and impact of the infraction. Different violations, combinations of multiple violations, or violations periodically repeated may be handled differently depending on extenuating circumstances.

Carter reserves the right to determine the appropriate level of discipline for any inappropriate conduct, including but not limited to demotion, verbal warning, written warning, suspension with or without pay, and termination. The exercise of that discretion by the Corporation is not a waiver of management's right to discharge or discipline the same employee or any other employee for the same type of offense in the future. Carter reserves the right to change this policy at any time. Also, the driver's performance bonus could be reduced if they have received disciplinary action. Please see section 5.3 for more information on performance bonuses.

## Carter Express Bonus Criteria for Company Drivers

Potential Bonus Pays 3% of Gross Wages on a Quarterly Basis

<b>Attendance</b>	
Excused Absence (>48 hours notice):	First 2 days given, 3 <sup>rd</sup> day-50%, 4 <sup>th</sup> day-100%
Unexcused Absence (within 48 hours):	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
Call Off (within 4 hours of departure):	1 <sup>st</sup> offense-100%
Failure to Depart On Time:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
Refusal to Run with Hours:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
<b>Safety</b>	
Failure to Attend <u>Qtrly</u> Safety Meeting:	25%
Preventable Accident:	Under \$1000 of damage-50%, Over \$1000 of damage-100%
DOT Violations:	1st offense-25%, 2nd offense-50%, 3rd offense-100%
HOS Violations:	1st offense-50%, 2nd offense-100%
Moving Violations:	(Other than those outlined below) 1st offense-50%, 2nd offense-100%
Unsafe Violations:	
- Speeding 6mph+:	1st offense-100%
- Speeding in Construction:	1st offense-100%
- Hand Held Device:	1st offense-100%
Failure to Turn in Tickets/Violations:	1st offense-50%, 2nd offense-100%
Failure to Turn in DRIR/Logs/Paperwork:	1st offense-25%, 2nd offense-50%, 3rd offense-100%
<b>Camera</b>	
Camera Obstruction:	1st offense-Warning, 2nd offense-100%
<b>Truck Cleanliness:</b>	
Documented Offense:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100% + all offenses incur \$75 cleaning fee
<b>Unauthorized Use of Company Equipment:</b>	
Documented Offense:	1 <sup>st</sup> offense-25%, 2 <sup>nd</sup> offense-50%, 3 <sup>rd</sup> offense-100%
<b>Miscellaneous Performance Issues/Write-Ups:</b>	
The company reserves the right to determine bonus deductions for performance and behavioral issues unforeseen and not outlined by this document if the offense is documented, discussed with and signed by the employee.	

**Notes:**

- Bonuses are active from date of first run (excluding trainees)
- Drivers must be full-time and actively employees at the time bonuses are disbursed.  
Drivers who resign, are terminated or are not actively employed for any reason, prior to the disbursement will not receive the bonus, regardless of when it was earned.

### (6.8) Comdata Information

Comdata is our fuel card company. Comdata must be used whenever possible. All other forms of payment are secondary to Comdata. Comdata cards are good for fuel, DEF(diesel exhaust fluid), additives (i.e. window wash, antifreeze, oil, and diesel additive), scales, and IdleAire. Additives should be obtained at Carter whenever possible. Scales must be at a network stop to use Comdata card. If the “Weigh My Truck” app is used then drivers can go to any Cat Scale. IdleAire is its own product and it can be located anywhere. The Comdata card cannot be used for cash advances or



convenience store purchases. Comdata cards are not authorized to be used in Canada. Carter Fuel should always be your first option for fuel whenever possible. Our fuel network consists of:

Love's Travel Stops  
TravelCenters of America  
Petro

If you lose your card or if it quits working at the pump, call for a new card. If you are not able to get a card right away, we can give you the card number and it can be manually entered at fuel stops. The shop has emergency cards to always allow you access to fuel at Carter Anderson.

If you are over the road and put into a rental truck, you will be given fueling instructions.

There are also other methods you can utilize to pay for fuel. A Human Resources representative will go over these in orientation.

## (6.9) Comchecks

All comcheck receipts must be turned in within 30 days of the date the comcheck was cashed. If a receipt is not turned in for a comcheck (stating exactly what was purchased) then the full amount of the comcheck will be deducted from the driver's pay. Receipts can be emailed to [reimburseme@carter-logistics.com](mailto:reimburseme@carter-logistics.com) or turned in to the dropbox at Carter Anderson. Always make copies of receipts and keep one for yourself.

Drivers should obtain a comcheck when needing to pay for the below items:

Hotel  
Lumpers  
Load Bars or Straps

## (6.10) Driver Reimbursements

Occasionally while on the road, a driver might have to pay for an expense out of pocket. All receipts for these expenses must be turned in within 30 days of the purchase date. Any receipt received after 30 days will not be reimbursed. These receipts can be emailed to [reimburseme@carter-logistics.com](mailto:reimburseme@carter-logistics.com) or turned in to the expense dropbox at Carter Anderson. If submitting a paper receipt, fill out a driver expense envelope completely and include a copy of the receipt in the envelope. Always make copies of receipts and keep one for yourself. Below is a list of expenses that Carter accepts for reimbursement:

Tolls  
Faxes  
Scales (when unable to use Comdata)  
Parts (approval required)  
Fuel (approval required)

Wash (approval required)\*\*\*

Hotel (approval required)

Taxi (approval required)

Parking (approval required)

Hazmat certification (approval required)

Physicals (approval required)

Required Safety Equipment (approval required)

\*\*\*We have an account with Blue Beacon. All washes should be put on our account with them and not paid for out of pocket. Two washes per month are allowed.

## (6.11) Telephone/Cell Phone Usage

Notice to Employees Telephone Service Monitoring: Telephone conversations with subscribers and others who call the Company on the incoming business lines will be monitored and/or recorded from time to time for training, quality control, and other business purposes. This is to serve notice that certain telephone lines are recorded, so therefore, an employee's conversation whether business or personal may be recorded.

### 6.11.1 Cell Phone Use

It is Company policy that no cell phones, personal or company owned, are to be used while operating a company owned, rented or leased vehicle at any time unless a hands-free device is used as is approved by the FMCSA.

FMCSA Compliance Guidelines:

Make sure the mobile telephone is within close enough proximity that it is operable while the driver is restrained by properly installed and adjusted seat belts.

- Use an earpiece or the speaker phone function.
- Use voice-activated dialing.
- Use the hands-free feature. To comply, a driver must have his or her mobile telephone located where he or she is able to initiate, answer, or terminate a call by touching a single button. The driver must be in the seated driving position and properly restrained by a seat belt. Drivers are not in compliance if they unsafely reach for a mobile phone, even if they intend to use the hands-free function.

Improper use of cell phones will result in discipline, up to and including termination.

## (6.12) Suggestions & Questions

It is Carter's policy to encourage and welcome suggestions, concerns and questions from employees. Employees may submit their suggestions, concerns or questions to their immediate supervisor, Human Resources or [suggestions@carter-logistics.com](mailto:suggestions@carter-logistics.com). Employees may present their suggestions verbally to their supervisor, email to their manager or senior officer, or via email to Human Resources. All submitted suggestions will be reviewed at the weekly staff meeting by the directors and executive management.

Employees are encouraged to take questions or concerns to their immediate supervisor. If the employee is uncomfortable taking any question or concern to their immediate supervisor, they may submit it to Human Resources.

If there are further questions or concerns, employees may contact the Director of Human Resources for a personal appointment.

## (6.13) Solicitations & Distributions

Employees may not solicit any other employee during work hours, nor may employees distribute literature in work areas at any time. Under no circumstances may an employee disturb the work of others to solicit or distribute literature to them during work hours; this includes e-mail and phone solicitations. The employee bulletin board in the break room is available for postings with prior permission from management.

Persons not employed by the Company may not solicit Company employees for any purposes on Company premises.

## (6.14) Internal Investigations & Searches

From time to time, Carter may conduct internal investigations pertaining to security, auditing or work-related matters. Employees are required to cooperate fully with and assist in these investigations if requested to do so.

Whenever necessary, in the Company's discretion, company owned equipment and personal belongings (i.e., briefcases, handbags, etc.) may be subject to a search without notice. Employees are required to cooperate.

The Company will generally try to obtain an employee's consent before conducting a search of work areas or personal belongings but may not always be able to do so.

## (6.15) Personal Property

We recognize that you may choose to bring personal items into the workplace. In most circumstances, Carter is not liable for loss, damage, or theft of personal property on its premises.

For your own protection, don't leave personal property at work and don't leave personal items unattended while you're at work.

- Personal Belongings - Carter Express, Inc. will not be held responsible for any personal belongings left in the company equipment or on company property, for personal or professional use. This means that any personal belongings must be removed when the truck is parked or unattended, at any location. You are not required to remove personal property left in or on Carter property, but such property is left solely at the risk of its owner, not Carter Express.
- Drivers who are going on FMLA or Worker's Comp need to make sure that their trucks are cleaned out if they are going to be out for 2-3 weeks. You will have 5 days to remove those personal items before Carter takes steps to remove your items.

## (6.16) Employee Reference Checks

All inquiries regarding a current or former Company employee must be referred to the Human Resources Department. Under no circumstances should any Company employee release any information about any current or former Company employee. All telephone, fax, mail, or e-mail inquiries regarding any current or former employee of the Company must be referred to the Human Resources Department. Information will only be released with a written request from the current or former employee.

In response to an outside request for information regarding a current or former Company employee, the Human Resources Department will furnish or verify only an employee's name, dates of employment, job title and department. No other data or information regarding any current or former Company employee, or his/her employment with Company, will be furnished unless the employee authorizes Company to furnish this information in writing that also releases Company from liability in connection with the furnishing of this information or Company is required by law to furnish any information.

## (6.17) Lactation Policy

Pursuant to Indiana law, the Company provides paid breaks for employees to express breast milk. Contact the Human Resources Department for the private location. Employees must provide their own cooler for storage to be kept in the private location provided by the Human Resources Department.

This policy is in compliance with breastfeeding laws in Indiana, Ohio, Tennessee, Michigan, Arkansas, Mississippi, Alabama and Texas (when such laws exist).

## Health & Safety

### (7.1) Safety Responsibility

Carter is committed to providing a safe and clean working environment; the safety of our employees, customers, vendors and colleagues is paramount. Each employee is expected to obey safety rules and to exercise caution in all work activities. No work task or activity is so important that they need to be conducted in an unsafe or unhealthy manner. The safer our locations and employees are the more efficient and productive we can be. Our goal is zero accidents at all of our locations and in all of our vehicles.

Safety is a shared responsibility. Management recognizes its responsibility for safety but preventing accidents and injuries depends on the alertness and personal commitment of all employees. Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor. Children/minors of employees are not allowed on the premises except in the public lobby area. Employees who violate safety standards, cause hazardous or dangerous situations, fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment. All health & safety policies are expected to be adhered to by all customers, vendors and contractors when working on or visiting any of our locations.

Please see Driver Safety Handbook for specific guidelines and education material.

### (7.2) Accidents & Emergencies

Maintaining a safe work environment requires the continuous cooperation of all employees. The Company strongly encourages employees to communicate with fellow employees and their supervisor regarding safety issues.

All employees will be provided care, first-aid and emergency service, as required, for injuries or illnesses while on the Company premises. Employees should contact their supervisor, the nearest supervisor, and/or 911 in the event of an accident or emergency.

If an employee is injured on the job, the Company provides coverage and protection in accordance with the Worker's Compensation Law. When an injury is sustained at work, it must be reported

immediately to the employee's supervisor, who in turn will notify Risk Management/Safety Department of the incident. Supervisors are required to fill out a form and turn it into the Safety Department within 24 hours of the incident.

Failure to report accidents is a serious matter as it may preclude an employee's coverage under Worker's Compensation Insurance.

### (7.3) General Safety Guidelines

- All injuries must be reported immediately to safety or operations departments.
- Good housekeeping is essential and must be maintained at all times.
- All employees must know the location of emergency equipment and emergency exits for their respective work location. Please ask your supervisor or the facility manager to see a copy of the emergency and severe weather guidelines.
- Employees who feel ill should inform their supervisor.
- Horseplay is prohibited.
- Firearms or weapons of any type are not permitted inside any Carter facility or company owned, rented or leased vehicle
- Ladders must be structurally safe and positioned firmly before using.
- Be alert to your surroundings and conditions when entering or leaving your building.
- Use caution when walking or driving on wet, snowy or icy surfaces.
- Do not use cell phones while driving Company owned vehicles or while driving your personal vehicle on Company business unless using a voice activated, hands-free device.
- Be sure that aisles or exits are kept clear; do not let cords interfere with walkways.
- Report unsafe conditions to Safety.

### (7.4) Seat Belt/Safety Restraint Usage

All company employees must wear seat belts and/or safety restraints when operating or riding in any Company owned, rented or leased vehicle or driving any vehicle while on Company business. This policy applies to all personally-owned, company-owned, leased and rented vehicles being used for any Company business. Both the lap and shoulder belts must be worn by all vehicle occupants when on Company business. Failure to do so can result in discipline, up to and including termination.

#### 7.4.1 Sleeper Berth Restraints

For any employees traveling in a semi-tractor and using the sleeper berth, occupant restraint systems installed by the manufacturer must be used when the vehicle is in motion, whether the system is at the entry point of the berth or incorporated as a belt type restraint within the berth itself.

## (7.5) Video Event Recorder Policy

Carter Express uses video event recorders to:

- Help investigate incidents and accidents involving company trucks;
- Defend drivers and the company in the event a lawsuit or claim is made against the company;
- Assist in coaching drivers to operate safely and responsibly;
- Praise and reward drivers for operating safely and responsibly;
- Enforce company safety and security related policies, such as no electronic device use while driving, no unauthorized passengers, etc.; and,
- Assist with regulatory compliance and safety program needs, on an as needed basis.

### *Use of the Video Recorders*

Carter Express provides the video event recorder technology, and trains drivers on the proper use of it. Drivers must use the technology consistent with the training provided, and are prohibited from substituting similar technology, or bringing and installing additional video event recording technology in company trucks.

Drivers are encouraged to activate the video event recorder to proactively capture unusual events as they occur. Driver training addresses this point.

Drivers must report a malfunctioning video event recorder to the Safety Department. This report should be made on the day the driver identifies the malfunction or technology problem.

Drivers are prohibited from covering or tampering with the video event recorder in any way.

### *Production and Sharing*

Carter Express has strict policies governing the production and sharing of video data captured by its video event recorders. Any request for video footage from any individual, corporation, entity, or attorney in the form of a letter request or subpoena for video footage shall be immediately forwarded to the Safety Director and Director of Risk Management.

At times, Carter Express personnel, including drivers, may receive a request from law enforcement personnel to produce video data. Drivers should take the name and badge number of any law enforcement officer making such a request and forward this information and the request to the Safety Department. Drivers should advise the officer that the request will be forwarded to company personnel for consideration.

Drivers may not produce or share video data outside of this policy.

### *Privacy and Confidentiality*

Carter Express will ensure the use of video event recorders protect a driver's privacy while drivers are off-duty in the truck, including in the sleeper berth. Drivers receive training on how to activate the video event recorder's privacy mode during orientation. Privacy mode can be used during a driver's breaks when the truck is not moving. The privacy mode will temporarily deactivate the interior camera and automatically activates once the truck is in motion

Drivers should be aware that video event recorders capture both video and audio data, and that accepting a driving position with Carter Express is consent to the recording and use of this data consistent with the purposes outlined in Section #1 above.

Company personnel will also protect a driver's privacy during video data-related coaching sessions. Access to video footage is limited to executive management, safety management and driver coaches and will not be shown or distributed to other individuals in the company.

### *Other Uses of Video Data*

As mentioned above under 'Use of Video Recorders', Carter Express may, at times, use video data to assist with regulatory compliance and for safety program purposes. For example, Carter Express may choose to use video data to challenge alleged driver citations, and not-preventable DOT recordable crashes, with the Federal Motor Carrier Safety Administration, in an effort to effectively manage company and driver CSA scores and driver PSP records.

Video footage may be used in safety meetings and orientation to train other drivers. In the event that the video captures a driver making a mistake, we will blur the drivers photo or remove the interior facing video and remove any other details that could be used to identify the driver. When the video captures a driver exhibiting great driver behavior that we want to use for training, consent will be obtained by the driver or we will remove all identifying details from the film.

### *Discipline*

Carter Express may impose discipline on drivers for failing to comply with the policies and requirements contained in this Section. Unsafe driving behavior will be coached and repeated unsafe behavior without improvement may result in discipline up to and including termination. Behavior such as hand held cell phone usage, camera obstruction, tampering with the camera equipment and other grossly unsafe behaviors may result in discipline up to and including termination after the first offense.

## (7.6) Tobacco Free Workplace

In order to provide employees, customers and vendors with a safe and healthy business environment in which to conduct business, Carter has prohibited tobacco use on company premises.

The personal health hazards related to the use of tobacco products is well documented and the Surgeon General of the United States has determined that the use of these products is the largest preventable cause of illness and premature death in the United States. These health hazards impact not only the tobacco users, but also the non-smoker who is exposed to second-hand smoke.



For the purpose of this policy, the definition of tobacco use is the carrying/holding of a lighted cigarette, cigar, pipe, plant or any other combustible substance or the inhalation or exhalation of smoke. This includes electronic cigarettes or any vaporizing device. Tobacco use also includes smokeless tobacco products, including snuff, smokeless chewing tobacco, etc., in all forms, including pouches, plugs, strands and/or loose.

- Tobacco use is prohibited in all Carter buildings and facilities.
- Tobacco use is prohibited on any Carter owned or leased property unless there is a designated smoking area. This includes parking lots, drives, sidewalks, walkways and the like.

Enforcement of this tobacco-free policy will be the responsibility of those persons who head individual departments, divisions or terminals. Employees are protected from retaliatory action or from being subjected to any adverse personal action for attempting to exercise their tobacco-free rights under this policy. An initial violation of this policy will result in a reminder of our tobacco-free workplace policy. Subsequent violations will result in appropriate corrective disciplinary action, up to and including discharge.

All vendors, contractors, visitors and guests will be asked to follow these regulations as well.

## (7.7) Drug & Alcohol Abuse & Testing Policy

It is Carter's policy to maintain a workplace that is free from the effects of drug or alcohol abuse.

The illegal use, manufacture, distribution, dispensation, sale or possession of any narcotic, drug, alcohol, or controlled substance while on Company premises, or reporting to work under the influence of any of these substances is strictly prohibited and is basis for immediate discipline, up to and including termination. Off premises illegal use, manufacture, distribution, dispensation, sale or possession of any narcotic, drug, alcohol, or controlled substance will carry a comparable disciplinary penalty where, in the Company's judgment, the employee's conduct has an adverse effect on the Company's operation, reputation or image. These activities constitute serious violations of Company rules, jeopardize the Company and can create situations that are unsafe or that substantially interfere with job performance. Additionally, the Company reserves the right to require an employee to undergo a medical evaluation under appropriate circumstances.

Carter has adopted the below policy to provide guidance to supervisors, employees and contractors in dealing with drug and alcohol abuse.

This policy is applicable to all company employees not subject to Federal Highway Administration (FHWA) regulations on the misuse of alcohol and the use of controlled substances.

### 7.7.1 Person Identified to Answer Questions

As part of our continuing policy to ensure fair and equal treatment of our employees/contractors, we understand that there may be questions and concerns involving our controlled substance and alcohol testing policies and programs. To assist you in understanding the requirements placed on

you, the employee, and us, the employer, we have designated the Vice President of Risk Management to answer your questions regarding alcohol and drug testing programs. Please call 1-800-738-7705 (Ext 1748).

The company's policy will in most matters mirror the regulations regarding controlled substances and alcohol use and testing found in Part 382 and Part 40 of the Federal Motor Carrier Safety Regulations.

## Prohibited Conduct

### 7.7.2 Alcohol

Employees must not consume or be under the effects of alcohol while performing their job duties. On call employees are prohibited from using or being under the effects of alcohol while they are on call. Under its own independent authority, the company will require an on call employee to acknowledge, at the time he or she is called to duty, that he/she has used alcohol within the past few hours and/or is still under the effects of alcohol. On call employees are not subject to discipline for admitting such use the first time. On call employees who fail to notify the company of alcohol use and fail to pass any administered alcohol test satisfactorily will be treated the same as other employees who fail to pass such tests.

### 7.7.3 Controlled Substances

Employees subject to this policy are strictly prohibited from using or ingesting prohibited drugs at **any time**, except when the use is pursuant to the instruction of a physician who has advised the employee that the substance does not adversely affect the employee's ability to safely perform his/her job. Manufacturing, distributing, dispensing, possessing or using controlled substances in the work place is prohibited, pursuant to the Drug-Free Workplace Act. Pursuant to the company policy, any employee who possesses drug paraphernalia on his/her person or within company property, transports or arranges to sell a controlled substance to any other person, whether on or off company property, whether on or off duty, shall be subject to discipline up to and including discharge.

As referred to in this policy, a controlled substance means a stimulant, hallucinogenic narcotic, cannabis, or a derivation or combination thereof, or any other substance controlled by law. Pursuant to the company policy, this definition also applies to any other substance that could impair one's ability to fully/safely perform his/her job. The company controlled substance policy prohibits the performance of any employee's job duties when a prohibited level of a controlled substance is detectable in the employee's urine.

### 7.7.4 Notification of Convictions

Pursuant to the requirements of the Drug Free Workplace Act, employees must notify the company within five days of any criminal drug statute conviction for a violation not occurring in the workplace.

### 7.7.5 Testing Procedures

The company will adhere to all required standards of confidentiality. Testing records and results will be released only to those authorized to receive such information.

#### **When Employees Must Be Tested**

The company is very specific about when an employee must submit for a drug and/or an alcohol test. The drug test will use urine and the alcohol test will use breath or saliva.

<u>Type of Test</u>	<u>Alcohol</u>	<u>Drugs</u>
Pre-Employment	Yes	Yes
Random	Yes	Yes
Reasonable Suspicion	Yes	Yes
Post Accident	Yes	Yes
Return to Duty	No	Yes
Follow-up #	Yes	Yes

#### **Testing for Controlled Substances**

Drug testing of employees authorized by this policy is limited to the following substances except in special situations:

- 1) Marijuana
- 2) Cocaine
- 3) Amphetamines
- 4) Opioids (e.g. heroin, codeine, oxycodone )
- 5) Phencyclidine (PCP)

While testing by the company normally will be limited to the five substances listed above, the company reserves the right pursuant to its policy and its own authority, to perform testing for any controlled substances.

All drug testing will be done from urine specimens collected under controlled conditions. Specimen collection procedures require a designated collection site; security for collection site; chain of custody documentation; use of authorized personnel; privacy during collection; integrity of the specimen; and transportation to the laboratory. Carter Express, Inc., 4020 East 73<sup>rd</sup> Street, Anderson, IN 46011 is designated as the primary collection site for this program in regards to drug testing collection. The program administrators maintain a list of other NIDA certified collection sites in various locations served by this company and these sites will be made available to all employees as required by this program. Only laboratories that have been certified by the Federal Government shall be used. The Substance Abuse and Mental Health Services Administration certifies laboratories that have met the guidelines established by the Department of Health and Human Services. After the urine specimen has been collected and forwarded to the laboratory, two tests may be performed. The initial test is the Immunoassay test. This is the screening test to determine drug usage for the classes of drugs being tested for. The second test is the confirmation

test. If the initial test is negative, the testing laboratory will advise the company Medical Review Officer (MRO) that the drug test for the employee/contractor is negative. No additional test on the specimen will be performed.

If the results of the initial test are positive for any of the drug classes, a second test is performed. This test is done in an entirely different manner from the initial test. All specimens identified as positive on the initial test must be confirmed using gas chromatography/mass spectrometry techniques. Only specimens that are confirmed positive on the second or confirmatory test are reported as positive to the MRO for review and analysis. To further protect the employee, a split specimen collection will be done. During the initial collection the urine is divided into two specimen bottles. If the test result is positive, you may request the MRO to send the second specimen to a different certified laboratory for testing. If the testing of the split specimen is “negative”, the MRO shall cancel the test. If you want the split specimen tested, you must advise the MRO within 72 hours of being notified of the positive test results for the primary specimen.

#### 7.7.6 Testing for Alcohol

The company policy requires that an Alcohol Screening Device (ASD) administered by a specially trained Screening Test Technician (STT) be used for alcohol testing. The ASD used for breath or saliva testing and the certification training of STT(s) will conform to all policy requirements. Breath/saliva testing of employees will be performed pursuant to FHWA regulations. The company reserves the right, pursuant to its policy and its own authority, to perform alcohol test on employees/contractors.

#### **Role of the Medical Review Officer (MRO)**

The laboratory will communicate all urinalysis drug results to a specifically trained physician serving as MRO. The MRO will notify the company directly if an employee’s test result is negative. If the test result is positive, the MRO will contact the employee to discuss the test, to determine if the positive result is valid and to notify the employee that he/she has 72 hours to request a test of the split specimen. If, after making all reasonable efforts and documenting those efforts, the MRO is unable to contact the employee, the MRO shall contact a designated management official; who shall direct the employee to contact the MRO within 24 hours. The company will be then informed of the test result. If the test is positive, the identity of the specific drug(s) involved, as well as other information regarding the test will be disclosed to the company by the MRO.

#### 7.7.7 Retesting at the Employees Request

The company’s policy provides for a split sample procedure that requires a portion of each urine specimen to be retained in a separate, sealed container. An employee whose urine test is positive may request that the split sample be tested at a separate laboratory meeting the required Federal certification. The company’s policy requires that the employee make such requests within 72 hours upon learning of a verified positive test.

Under its own independent authority the company may recover all costs associated with testing the split sample from the employee. These costs include but are not limited to the shipping and handling, transportation, testing and reporting the result of the split sample to the MRO. If the result of the split sample test is negative, these costs will be fully reimbursed to the employee.

### 7.7.8 Testing Programs

The company will perform the following types of drug and/or alcohol testing:

- 1) Pre-Employment (drugs only)
- 2) Reasonable Suspicion
- 3) Post-Accident
- 4) Random
- 5) Return to Duty
- 6) Follow-up

#### **Pre-Employment Testing**

All applicants for employment positions or employees being transferred into positions will undergo a pre-employment drug test. The company will not hire an applicant or transfer an employee to a position unless the applicant or employee passes the pre-employment drug test.

#### **Consequence of Positive Pre-Employment Test Result**

A positive pre-employment test for drugs shall be considered sufficient grounds to disqualify the applicant from employment with the company or to disqualify an incumbent employee's application for transfer into a different position.

#### **Reasonable Suspicion Testing**

Employees performing job duties will be required to submit to a drug or alcohol test when the company has a reasonable suspicion that the employee has used a prohibited drug or misused alcohol. Reasonable suspicion is established solely at the discretion of the company management. The determination that reasonable suspicion exists shall be based on specific, contemporaneous, observations concerning the appearance, behavior, speech, body odors, or attendance/punctuality patterns of the employee. A written record of the observations leading to a controlled substance/alcohol reasonable suspicion test shall be made and signed by the supervisor or company official within 24 hours of observation or before the test results are released; whichever is earlier. An employee who undergoes reasonable suspicion testing will be removed from all duties pending the test results. If the results are negative, the employee will be returned to work.

#### **Random Testing**

All employees are required to submit to random drug and alcohol testing. The company will annually perform random tests at a rate equal to or greater than 50% of the average number of employees.

All employees that are notified of their selection for random alcohol and/or controlled substance testing will be required to proceed to the collection site immediately. The random selection will be determined by a computer generated random numeric selection process and the possibility exists that employees may be selected more than once in the testing period.

### **Post-Accident Testing**

All employees who are injured in an on-the-job accident or on company property will be required to submit to alcohol and drug testing immediately or as soon thereafter as is possible.

### **Follow Up Testing**

These tests may be required when an employee has violated the regulations as outlined in Part 382, Subpart B of the FMCSR, returns to performing safety-sensitive duties. Follow-up tests are unannounced and at least six tests must be conducted in the first 12 months after an employee returns to duty if the testing is ordered by the Substance Abuse Professional (SAP). Follow-up testing may be extended for up to 60 months following the employee's return to duty if required by the SAP.

### **Return to Duty Testing**

This test is required when any employee who has tested positive for any post-accident, reasonable suspicion, or random drug/alcohol test. The return to duty test must be negative before the employee can perform any job function or duty.

### **Consequences of Positive Test Result**

**Drugs:** The employee will be immediately removed from duty and shall not be allowed to perform any job functions. An employee with a confirmed positive drug test is considered unqualified and pursuant to the company's independent authority may be terminated.

**Alcohol:** Employees with a Breath Alcohol Concentration (BAC) .04 or greater will be immediately removed from duty and shall not perform any job functions. An employee with a confirmed BAC level of .04 or greater shall be considered unqualified and pursuant to the company's independent authority may be terminated. Employee's with a BAC of .02 but less than .04 cannot perform any job functions and shall be immediately removed from duty for not less than 24 hours. Pursuant to the company's independent authority an employee with a confirmed BAC of .02 but less than .04 may be terminated.

### **Refusal to Submit**

Refusing to submit to an alcohol or controlled substance test means that an employee:

Fails to provide adequate breath/saliva for alcohol testing as outlined in Part 40, Subpart C of the FMCSR, without valid medical explanation, after he/she has received notice of the requirements for breath testing;

- a) Fails to provide an adequate urine sample for controlled substance testing as required by Part 40, Subpart C of the FMCSR, without a genuine inability to provide a specimen (as determined by a medical evaluation) after he/she has received notice of the requirement for urine testing;
- b) Engages in conduct that clearly obstructs the process, or fails to proceed immediately to a designated test site;
- c) Is reported by the MRO as having a verified adulterated or substituted test result;
- d) Fails to undergo a medical examination or evaluation, as directed by the MRO as part of the verification process, or as directed by a designated employer representative under Part 40.193(d) of the FMCSR.

Pursuant to the company's independent authority, any employee who refuses to submit to an alcohol and/or controlled substance test will be terminated.

#### 7.7.9 The Effects of Alcohol and Drugs on Health, Work and Personal Life

The hazards of misusing alcohol and using illegal drugs extend far beyond the individual user.

Impaired employees/contractors endanger themselves, fellow workers, and others.

Employees/contractors with drugs or alcohol in their systems are less productive and more likely to injure themselves or other persons in an accident. Alcohol and drug using employees/contractors may increase the costs related to lost productivity, absenteeism, accidents, and theft. Also, medical costs are higher and are passed on to the employer and employee in the form of higher insurance rates. Alcohol remains the number one abused drug in this country. Alcohol consumption causes a number of changes in behavior. Even low quantities can impair the judgment and coordination required for driving. Low to moderate quantities may increase the incidence of a variety of aggressive acts. Moderate to high quantities causes marked impairments in higher mental functions. If combined with other drugs, much lower quantities of alcohol will produce the effects just described. Long term consumption of large quantities of alcohol can lead to permanent damage to vital organs such as the brain and liver. Illegal drug use has many of the same hazards of alcohol misuse with the additional possibility of criminal behavior. Employees/contractors who use drugs or misuse alcohol risk jeopardizing their career as well as losing their families and friends.

#### 7.7.10 Signs and Symptoms of an Alcohol or Drug Problem

Drugs can show their effects in many different ways. Some of the most noticeable signs of drug abuse are: drowsiness, respiratory depression, constricted pupils, nausea, slurred speech, excitement, loss of appetite, poor perception of time and distance, relaxed inhibitions, disoriented behavior, watery eyes, runny nose, chills and sweats, convulsions, apathy, depression, lying, unexplained need for extra money, and the possession of drug paraphernalia. Some signs and symptoms of alcohol misuse are: odor of alcohol, slurred speech, staggering, tremors, vomiting, cramps, delirium, loss of appetite, using arms for balance, leaning against doorways or walls, swaying while maintaining

balance, and confusion. These symptoms are not the only signs of alcohol misuse or drug use. For more information on alcohol or drug abuse see your local hospital or physician.

Multiple substance abuse is abuse of more than one drug, either at the same time or over a period of time. Most multiple substance abuse cases involve any combination of the following: Alcohol, Prescription drugs, Over-the-counter drugs, and Illegal drugs. Multiple substance abuse is especially dangerous because different substances interact with each other to produce a variety of unexpected effects and dangers. Multiple substance abuse often begins with abuse of a single substance. This is because once a person begins to rely on a drug; abuse of additional substances becomes more likely as he/she tries to counteract the effects of the first substance. People who abuse one substance are at a high risk for developing dependence and tolerance for other substances.

#### 7.7.11 Where Can I Go for Help?

Listed below are sources for help and information if you or someone you know needs help with a drug and/or alcohol problem:

##### National Clearinghouse for Alcohol and Drug Information

121426 Rockville Pike  
Rockville, MD 20852  
1-800-729-6686  
or

House of Hope  
902 High Street  
Anderson, IN 46012  
1-765-644-7086

For information on where to find treatment for alcohol and other drug problems, you may look in the yellow pages under “Alcoholism Information” or “Drug Abuse and Addictions Information”. Usually there is a listing of the nearest Council on Alcoholism or Council on Alcohol and Drug Abuse. These councils provide information over the telephone on the availability of the nearest alcohol or drug treatment programs. Alcoholics Anonymous (AA) or Narcotics Anonymous (NA) may also be listed in the yellow pages. Both organizations offer immeasurable help in enabling people to cope with problems with alcohol and other drugs.

## (7.8) Weapons Policy

It is Carter’s policy to maintain a safe work environment. Therefore, the Company prohibits wearing, transporting, storage, presence or use of dangerous weapons on company property, regardless of whether or not the person is licensed to carry the weapon, except as otherwise provided by state and/or federal law. Property covered by this policy includes company-owned or leased buildings and company-owned or leased vehicles. Any employee who violates this policy is subject to disciplinary action, up to and including termination. A client or visitor who violates this policy will be removed from the property and reported to police if deemed necessary. This policy



does not apply to law enforcement personnel, security personnel, or employees specifically authorized, in writing, by the Company's President while engaging in official duties.

Weapons include but are not limited to, handguns, firearms, explosives, knives and other weapons further defined by state statute or local ordinance.

If employees have a question as to whether an item is covered under this policy, they should contact Human Resources. Employees have the responsibility to ensure that any item in their possession is not prohibited by this policy.

The Company reserves the right at any time and for reasonable cause to search all company-owned or leased vehicles and all packages, containers, purses, lockers, desks and people entering company property, for the purpose of determining whether any dangerous weapon has been brought onto the premises. Violations of this policy, including refusing to promptly permit a search under this policy, will be subject to discipline, up to and including termination.

## (7.9) Workplace Violence

Carter strongly believes that all employees should be treated with dignity and respect. Acts or threats of violence will not be tolerated; this includes any conduct that threatens, intimidates, harms or coerces another employee, a customer, a vendor or a member of public while on the job. You are expected to refrain from conduct that may be dangerous to others, such as fighting, taunting and "horseplay" while on the job. You are not allowed to carry firearms, weapons, or other dangerous devices or substances, or to use an instrument or device as a weapon, while on the job, except as may otherwise be provided by law.

All threats or acts of violence, direct or indirect, must be reported to the employee's supervisor and/or the Human Resources and Safety Departments immediately. Do not place yourself in danger, if you see or hear a commotion or disturbance do not interfere, alert the appropriate individuals, including law enforcement if deemed necessary. All complaints will be fully investigated and the Company will promptly respond to any incident or suggestion of violence. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay as appropriate, pending investigation. Anyone determined to be in violation of this policy will be subject to immediate disciplinary action, up to and including discharge. If the circumstances warrant, the employee may also be reported to the proper law enforcement officials.

Carter encourages employees to bring disputes or differences with other employees to the attention of their supervisor or Human Resources before the situation can escalate into potential violence. The company will assist in the resolution of disputes without disciplining employees for raising the concern. For purposes of this policy, "on the job" refers to inside the facilities and offices, in the parking lots, or in the immediate vicinity of our facilities. It also means away from the premises if

the individual is on business or acting on a business-related matter. Violation of this policy will lead to immediate disciplinary action, up to and including termination.

## (7.10) Infectious Disease Policy

The Company has and will continue to take proactive steps to protect the workplace to the best of its ability in the event of an infectious disease outbreak. As an essential infrastructure business, it is the goal of the Company during any such time period to strive to operate effectively and ensure that all essential services are continuously provided and that employees are safe within the workplace.

### *Purpose*

The Company is committed to providing authoritative information about the nature and spread of infectious diseases, including symptoms and signs to watch for, as well as required steps to be taken in the event of an illness or outbreak.

### *Scope*

This policy applies to all regular full, part-time, and temporary employees of the Company. This policy also applies to all applicants and suppliers of goods and services.

### *Responsibility for Implementation*

Implementation of and compliance with this policy are the responsibility of the Executive Team, Directors, Managers and Supervisors.

### *Preventing the Spread of Infection in the Workplace*

The Company will ensure a clean workplace, including the regular cleaning of objects and areas that are frequently used, such as bathrooms, breakrooms, conference rooms, door handles and railings.

The Company has taken the additional steps of sanitizing work stations between use, fogging work areas daily with an electrostatic solution, and when deemed necessary are employing a cleaning contractor to do deep cleans with electrostatic disinfecting on weekends.

A committee will be designated to monitor and coordinate events around an infectious disease outbreak, as well as to create work rules that could be implemented to promote safety through infection control.

We ask all employees to cooperate in taking steps to reduce the transmission of infectious disease in the workplace. The best strategy remains the most obvious:

- Wash your hands often with soap and water for at least 20 seconds. Use an alcohol-based hand sanitizer that contains at least 60 percent alcohol if soap and water are not available. The Company has made additional cleaners and hand sanitizers available throughout each terminal.
- Avoid touching your eyes, nose and mouth with unwashed hands.
- Avoid close contact with people who are sick.
- Stay home when you are sick.

- Cover your cough or sneeze with a tissue, then throw the tissue in the trash.
- Clean and disinfect frequently touched objects and surfaces.
- Wear a mask where social distancing is not possible.
- Remain six feet apart (as shown by, among other things, the floor signs at each facility).
- Continue respecting the plexiglass partitions at work stations.
- Follow the health screening process put in place at the Company, including completion of the Employee Self-Declaration Form.

We will also provide alcohol-based hand sanitizers throughout the workplace and in common areas.

Unless otherwise notified, our normal attendance and leave policies will remain in place. Individuals who believe they may face particular challenges reporting to work during an infectious disease outbreak should take steps to develop any necessary contingency plans. For example, employees might want to arrange for alternative sources of child care should schools close and/or speak with supervisors about the potential to work from home temporarily or on an alternative work schedule.

### *Travel Limitations*

All nonessential business travel should be avoided until further notice. Employees who travel as an essential part of their job should consult with management on appropriate actions.

The Company may request that we are informed prior to traveling out of the country for personal reasons so that we are aware of employees who are going to those areas and are exposed to the disease. Employees who travel out of the country need to be informed that they may be quarantined by the government upon their return based on the CDC guidelines.

Employees should avoid crowded public transportation when possible. Alternative scheduling options, ride-share resources and/or parking assistance will be provided on a case-by-case basis. Contact human resources for more information.

### *Telecommuting*

The company is using telework as another tool to prevent the spread of disease and have employed it when necessary to reduce the amount of employees in any one work area. The Company has also use telework as a solution for employees who are asked to quarantine but who are not showing symptoms or have mild symptoms and are able to continue working remotely. While not all positions will be eligible, if you have a situation that may need considered for temporary telecommuting, please contact management.

### *Staying Home When Ill*

Many times, with the best of intentions, employees report to work even though they feel ill. We provide paid sick time and other benefits to compensate employees who are unable to work due to illness. (See our Paid Time Office Policy).

During an infectious disease outbreak, it is critical that employees do not report to work while they are ill and/or experiencing the following symptoms: fever, cough, shortness of breath, mild to severe

respiratory illness, sore throat, difficulty breathing, body aches, chills and fatigue. Currently, the Centers for Disease Control and Prevention recommends that people with an infectious illness such as the flu remain at home until at least 24 hours after they are free of fever (100 degrees F or 37.8 degrees C) or signs of a fever without the use of fever-reducing medications. Employees who report to work ill will be sent home in accordance with these health guidelines.

#### *Requests for Medical Information and/or Documentation*

If you are out sick or show symptoms of being ill, it may become necessary to request information from you and/or your health care provider. In general, we would request medical information to confirm your need to be absent, to show whether and how an absence relates to the infection, and to know that it is appropriate for you to return to work. As always, we expect and appreciate your cooperation if and when medical information is sought.

#### *Confidentiality of Medical Information*

Our policy is to treat any medical information as a confidential medical record. In furtherance of this policy, any disclosure of medical information is in limited circumstances with supervisors, managers, first aid and safety personnel, and government officials as required by law.

#### *Social Distancing Guidelines for Workplace Infectious Disease Outbreaks*

In the event of an infectious disease outbreak, the Company may implement these social distancing guidelines to minimize the spread of the disease among the staff.

During the workday, employees are requested to:

- Avoid meeting people face-to-face. Employees are encouraged to use the telephone, online conferencing, e-mail or instant messaging to conduct business as much as possible, even when participants are in the same building.
- If a face-to-face meeting is unavoidable, minimize the meeting time, choose a large meeting room and sit at least six feet from each other if possible; avoid person-to-person contact such as shaking hands, and wear a mask.
- Avoid any unnecessary travel and cancel or postpone nonessential meetings, gatherings, workshops and training sessions.
- Do not congregate in work rooms, pantries, copier rooms or other areas where people socialize.
- Bring lunch and eat at your desk or away from others (avoid lunchrooms and crowded areas).

#### *Outside activities*

Employees might be encouraged to the extent possible to:

- Avoid public transportation (walk, cycle, drive a car) or go early or late to avoid rush-hour crowding on public transportation.
- Avoid recreational or other leisure classes, meetings, activities, etc., where employees might come into contact with contagious people.

Ultimately it is the employee's call, and we expect that using your best judgment will maintain a safe work environment.

Questions regarding this policy may be referred to your supervisor or the HR department.

## Technology

### (8.1) Company Equipment and Computer System

The Company provides supplies, uniforms, equipment, automobiles and materials necessary for you to perform your job. These items are to be used solely for the Company's purposes. Employees are expected to exercise care in the use of Company equipment and property and use such property only for authorized purposes. Loss, damages or theft of Company property should be reported at once. Negligence in the care and use of Company property may be considered grounds for discipline, up to and including termination.

Upon termination of employment, the employee must return all Company property, uniforms, equipment, work product and documents in his or her possession or control. The employee will be held financially responsible for all items either unreturned or damaged.

#### 8.1.1 Company Computer System/Tablet Policy

It is the policy of Company that the use of its computers, tablets and software is limited solely to appropriate business use. Employees are not allowed to use the computer system for their personal benefit. Employees are strictly forbidden from installing software on the system. Further, this policy reaffirms that the Company's employees have no reasonable expectation of privacy with respect to any computer hardware, software, electronic mail or other computer or electronic means of communication or storage, whether or not employees have private access or an entry code into the computer system. The Company reserves the right to monitor the use of its computer system.

### (8.2) Email and Internet Policy

All Carter computers are company property and are to be used for company work only. All internet access also belongs to the company and should be used only for work related activity. Internet use at all Carter facilities is monitored and reported to management. Violations of Carter Internet Policy can result in disciplinary action. Regardless of the situation Carter users must never infringe on Carter's or other companies' copyrights.

No jokes, cartoon, humorous material or comments are to be sent or traded over the Company computers. End users should never send, forward, or resend chain emails containing religious messages, racial jokes, sexual jokes, etc.

Beware of attachments and do not open file attachments unless you know precisely what it is and where it came from. Caution is the key! Viruses are now disguised as attachments from people you know.

Do not download files from the internet without prior approval from the IT Department.

Be careful where you browse. All of the computers and tablets are company property and are to be used for company work only. All internet access on Company computers also belongs to the company and should be used only for work-related activity. Internet use at this facility is monitored and reported to management. Violations of the Company Internet Policy can result in disciplinary action.

### (8.3) General User Security Practices

Whenever a Carter end user leaves a computer or tablet unattended they must log off their user account. User accounts will be automatically logged off after a period of time with no user activity.

End users should never install software without specific approval from the Carter I. T. Department. This especially applies to programs installed over the internet such as games, toolbars, search bars, emoticons, instant messaging software, or social media software.

### (8.4) Wireless Internet Policy

Throughout the Carter locations are a number of wireless endpoints. These wireless connections are for Carter business only. Any employees that need wireless access must get approval from their department director, then submit a formal request to the IT Dept. Carter employees must never share their wireless password or use it to connect a personal device. Disciplinary action can result from connecting an unauthorized smart phone, tablet, or other wireless instruments. If a rogue device attempts to connect to our company wireless the IT Dept. will be alerted immediately and action will be taken.

### (8.5) Social Media Policy

These social media restrictions are intended to ensure compliance with legal and regulatory restrictions and privacy and confidentiality agreements. Social media includes items such as blogs, podcasts, discussion forums, and social networks. This policy applies to Carter employees with requirements for participation in social media, including Carter-hosted social media, and in non-Carter social media in which the employee's Carter affiliation is known, identified or presumed. This policy applies to all part-time, full-time and contracted employees working for Carter whether using social media while at work or away from work when the employee's affiliation is identified, known, or presumed. This policy also applies to any employee whose social media activity may create or contribute to a hostile work environment recognized under the law. It does not otherwise apply to content that is non-logistics related or unrelated to Carter.

- Using Social Media: Employees are expected to adhere to Carter's conduct expectations, including: respecting colleagues, customers and suppliers; protecting confidentiality, privacy and security; as well as safeguarding and properly using Carter assets.
- Be Respectful: Employees may not post any material that is obscene, defamatory, profane, libelous, threatening, harassing, abusive, hateful, or embarrassing to another person or entity when posting to Carter-hosted sites.
- Carter-Hosted Blogs: Carter-hosted blogs must focus on subjects related to the organization.
- Abide by law and respect copyright restrictions: Employees may not post content or conduct any activity that fails to conform to any and all applicable state and federal laws. For Carter and employee's protection, it is critical that everyone abide by the copyright laws by ensuring that they have permission to use or reproduce any copyrighted text, photos, graphics, video or other material owned by others.
- Obtain pre-approval before setting up Carter-hosted sites: Employees must seek approval from their supervisor before setting up a Carter-hosted blog or other social media site.
- Proprietary Information: Employees may not disclose any confidential or proprietary information of or about Carter, our affiliates, vendors, or suppliers; including but not limited to business and financial information, represent that they are communicating the views of Carter, or do anything that might reasonably create the impression that they are communicating on behalf of or as a representative of Carter.
- Self-hosted sites: Employees must not say or suggest that the views and opinions they express related to Carter or logistics topics in general represent the official views of Carter. An appropriate way to help ensure no confusion exists would be a disclaimer indicating that the postings and opinions are the author's and do not necessarily reflect the views of Carter.
- Regardless of whether posting to a Carter-hosted or non-Carter hosted site, any activity that could cause or contribute to a hostile work environment recognized under the law (e.g., racially hostile, sexually hostile, etc.) or conduct that is similarly offensive (e.g., obscene, defamatory, threatening, abusive, etc.) may lead to discipline up to and including employment termination.

All employees are expected to know and follow this policy. Nothing in this policy is, however, intended to prevent employees from engaging- in concerted activity protected by law. If you have any questions regarding this policy, please ask your supervisor and Human Resources before acting.



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## Code of Conduct

### (9.1) Conflict of Interest

The Company expects our employees to conduct business according to the highest ethical standards of conduct. Employees are expected to devote their best efforts to the interests of the Company. Business dealings that appear to create a conflict between the interests of the Company and an employee are unacceptable and no employee should knowingly become involved in any situation which could create a conflict of interest between their personal interests and the interests of the company. The Company recognizes the right of employees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, the employee must disclose any possible conflicts so that the Company may assess and prevent potential conflicts of interest from arising.

A conflict of interest occurs when a person's personal interest improperly interfere, or appear to interfere, with the interests of the Company or with the person's judgment in performing their responsibilities on behalf of the Company. Employees, officers and directors of the Company must never allow their personal interests to interfere with their objectivity in performing their responsibilities to the Company, and they must never use or attempt to use their position with the company to obtain any improper financial or other benefit for themselves, their family members, or any other person. An employee's position with the Company should not be used as leverage, to influence or gain favor from business partners, i.e., vendors or suppliers (potential or proposed), dealers, competitors, or customers, for personal benefit.

Although it is not possible to specify every action that might create a conflict of interest, some examples of conduct that could, without prior written approval from supervisors or Human Resources, constitute a violation of Company policy: soliciting or accepting cash, loans or other benefits from a business partner; transacting business with a business on a reciprocal basis without consideration of price, quality, service or other measures; accepting concurrent outside employment with a business partner; and/or taking company property for personal use.

If an employee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact the Human Resources Department to obtain advice on the issue. The purpose of this policy is to protect employees from any conflict of interest that might arise.

## (9.2) Outside Employment Statement & Board Service

Carter recognizes that there may be times when employees will want to obtain outside employment or serve on a board of directors. Any such employment or service must be secondary to their position with the Company and must not interfere with their work or responsibilities at Carter or involve improper diversion of the Company's resources.

Employees that wish to obtain outside employment or serve on a board of directors must make their supervisor and Human Resources aware. Should any outside work affect the employee's work performance or attendance at Carter, the supervisor in consultation with the Human Resources Department will take appropriate disciplinary action; up to and including termination.

From time to time, Company employees may be required to work beyond their normally scheduled hours. Employees must perform this work when requested. In cases of conflict with any outside activity, the employee's obligations to the Company must be given priority. Employees are hired and continue in the Company's employ with the understanding that the Company is their primary employer and that other employment or commercial involvement which is in conflict with the business interests of the Company is strictly prohibited.

Employees wishing to serve on a for-profit board must have prior approval from the Company's President. Employees wishing to serve on a non-for-profit board shall disclose their intention to do with the Company President. Service on a non-for-profit board does not require approval; however, the Company's President may deny permission for an employee to do so if the circumstances involve potential harm to the interests of the Company.

## (9.3) Confidential Information and Company Property

All records and information relating to the Company or its customers are confidential and employees must, therefore, treat all matters accordingly. No information, including without limitation, documents, notes, files, records, oral information, computer files or similar materials (except in the ordinary course of performing duties on behalf of the company) may be removed from the premises without permission from the company. Employees who are unsure about the confidential nature of specific information must ask their supervisor for clarification. Employees will be subject to appropriate disciplinary action, up to and including dismissal, for knowingly or unknowingly revealing information of a confidential nature.

Information acquired in the course of employment must not be used for individual benefit. Access to confidential information does not carry with it personal benefit or advantage but imposes an obligation to keep such information confidential and to use it solely in the interest of the Company. This continues upon termination for 5 consecutive years from date of separation.

As Hitachi Transport System is our parent company and they are a publically traded firm, we are subject to insider trading laws. Any confidential information that can be used in the sale or trade of

HTS stock cannot be shared. If there are questions regarding the material or whether or not you are classified as an insider please contact Human Resources.

Employees must realize that Company information is just for the Company's use and not for distribution to the outside. Distribution of information requires both a need to know and a right to know the information requested.

## (9.4) Media Relations/Public Communications

Only the VP of Sales and Marketing or members of senior management should initiate or respond to contacts with the media on behalf of the company. Any media inquiries should be directed to the Company's Marketing Department and employees should only respond to media inquiries after being cleared by the Company's Marketing Department. The Marketing Department will evaluate the risks and benefits of media contacts, determine the form and content of information to be provided to the media and will ensure that all interactions with the media are conducted in a professional manner consistent with Carter's mission and organizational goals. In the event of an accident, disturbance or other emergencies, all communications should be referred to the Director of Safety, the VP of Operations, the VP of Sales and Marketing or a member of senior management. Please direct all media inquiries to [marketing@carter-logistics.com](mailto:marketing@carter-logistics.com) or call the VP of Sales and Marketing Directly (ext. 1356).

## Leaving the Company

### (10.1) Resignation

A two week notice is required to be turned in to the assigned Driver Manager, for any voluntary resignation from a driving position with Carter Express. This process is also required when resigning from a dedicated route that may be assigned to the driver, and they should communicate directly to the Route Manager. Once Driver Relations receives your notice of separation, they will make contact with the driver to hopefully resolve any issues that may help the driver decide to remain employed with Carter Express.

When a driver does resign, if they decide to rescind their resignation within thirty days of the termination date, the driver can earn back the original hire date, for seniority/bid purposes, if reinstatement is approved. If a driver would be interested in regaining their employment with Carter Express beyond thirty days from the termination date, these drivers will be considered for rehire. Both, reinstatement and rehire opportunities, are based on approval from the Operations and Safety departments.

### (10.2) Dismissals

Every Company employee has the status of "employment-at-will," meaning that no one has a contractual right, expressed or implied, to remain in Company employ. The Company may terminate an employee's employment, or an employee may terminate his/her employment, without cause, and with or without notice, at any time for any reason. No supervisor or other representative of the Company (except the President) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above.

Alabama, Arkansas, Indiana, Kentucky, Michigan, Mississippi, Ohio, Tennessee and Texas are "employment at-will" states. This means employers may hire, fire, promote, demote, layoff, suspend, set their own work hours and policies at their discretion; so long as there is no contract of collective bargaining agreement and they do not discriminate against their employees because of their age, sex, race, religion, national origin, or disability.

## (10.3) Exit Interview

Driver Relations will make contact to complete an exit interview and driver feedback opportunity. Carter Express has also partnered with Stay Metrics, which will conduct an anonymous survey with each separated driver. Stay Metrics will communicate this via text message and send the driver a link to complete the Exit Interview survey. We would appreciate any feedback you could provide, regardless of the reason for your decision to separate employment with Carter Express.

Exit interviews help to identify workplace, organizational or human resources factors which have contributed to an employee's decision to leave employment at Carter, or from a given department or function. This process will help Carter identify any trends requiring attention or opportunities for improving the company's ability to respond to employee issues, and to retain key people.

## (10.4) Post Resignation/Termination Procedures

On the last day of employment with Carter, the employee must meet with Human Resources to turn in the following items:

- Company Security Access / Identification Card
- Truck Keys
- Company-Issued Credit Cards / Fuel Cards
- Company Manuals
- Company Cell Phone and all Attachments/Accessories
- All Electronic Equipment, such as Tablets
- Any additional Company-Owned or Issued Property

### 10.4.1 Benefits

All benefits (Life, Medical, Dental & Voluntary Plans) end on your last day of employment. An employee, unless dismissed for gross misconduct, has the option to convert to individual life insurance, and/or to continue Medical/Dental Benefits in accordance with the Consolidated Omnibus Budget Reconciliation Act ("COBRA") regulations. Employees may choose the continuation or waiver of comprehensive medical coverage and dental coverage under COBRA.

### 10.4.2 Company Issued Uniforms and/or Equipment

All company issued uniforms and/or equipment will be counted upon separation. The cost of lost or stolen items will be deducted from the employee's final paycheck.

### 10.4.3 Final Paycheck

Employees leaving the Company must return all company-owned or issued property before their final paycheck can be issued. This final pay check will be mailed during the next normal pay period. Vacation days do not carry a cash value and are therefore not eligible to be paid out at the end of the

driver's employment. If there are unpaid obligations to the Company, by signature of the handbook acknowledgment form, the existing employee gives permission to the Company to deduct these final obligations from the final paychecks.