



Employee Handbook

(Effective 7/1/2025)

WELCOME TO ARROWHEAD TRANSFER, INC.

I would like to take this opportunity to personally welcome you to Arrowhead Transfer, Inc. (ATI). Whether you are just beginning your journey with us or have been part of our team for some time, we sincerely hope your experience here is rewarding, challenging, and fulfilling. If you are a returning or long-standing employee, please accept our sincere appreciation for your continued dedication and service.

This Employee Handbook has been designed to introduce you to the personnel policies and practices currently in place at ATI. While it is not a contract of employment and does not guarantee specific outcomes in individual situations, it will serve as a valuable resource to help guide your understanding of how we work together. We encourage you to read it carefully and refer to it often. If at any time you have questions, please do not hesitate to ask your supervisor or co-workers—we're all here to help one another succeed.

At ATI, we set high standards for every member of our team. These expectations reflect our commitment to excellence, our strong reputation in a competitive industry, and our drive for continued growth and success. In return, we are equally committed to treating all staff members fairly, equitably, and with the respect they deserve. We believe in fostering a workplace culture built on trust, collaboration, and mutual accountability.

Together, by upholding these shared values, we are confident that the future will be both productive and prosperous—for you, for ATI, and for the communities we serve.

Welcome aboard and thank you for being part of ATI.

Sincerely,

Trevor Harang
President

AN INTRODUCTION

This handbook has been prepared to introduce you to our company. It will acquaint you with the policies, rules, pay and benefits which apply to all employees at ATI.

The information contained in this handbook applies to all employees of ATI except officers of the company. It is presented for information only and its contents should not be interpreted as a contract between the company and any of its employees. Nor should this handbook be construed as a promise of specific treatment in specific situations.

Please read this handbook carefully and keep it handy for future reference. This handbook is only a summary of our policies, however, please review it with your supervisor or the Business Office if you have any questions.

Changes in Policy

Since our business is constantly changing, we expressly reserve the right to change any of our policies, including those covered here, at any time. Normally, we will notify you of these changes by posting them on the bulletin board or by other appropriate means.

Changes will be effective on dates determined by the company and employees may not rely on policies that have been superseded. No supervisor or manager other than the President of the company has any authority to alter the foregoing. If you are uncertain about any policy or procedure, please check with your supervisor and/or

the Business Office.

Employment Relationship

YOUR EMPLOYMENT WITH THE COMPANY IS "AT-WILL" AND ENTERED INTO VOLUNTARILY. YOU ARE FREE TO RESIGN AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT NOTICE. SIMILARLY, THE COMPANY IS FREE TO CONCLUDE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT NOTICE.

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This employee handbook supersedes all previous employee handbooks and management memos which may have been issued on subjects covered herein.

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ARROWHEAD TRANSFER'S MISSION

TO PROVIDE SOUTHEAST ALASKA WITH TRANSPORTATION AND TRANSPORTATION RELATED SERVICES THAT MEET OR EXCEED OUR CUSTOMERS NEEDS AND EXPECTATIONS.

TO BECOME THE BENCHMARK IN QUALITY OF SERVICE BY WHICH ALL OUR COMPETITORS ARE JUDGED.

TO ENHANCE OUR EMPLOYEES, OUR CUSTOMERS, AND OUR COMMUNITY.

TO DO SO RESPONSIBLY, PROFITABLY, AND WITHOUT COMPROMISE.

I. EMPLOYMENT POLICIES

ATI is an equal opportunity employer. We do not discriminate based on any legally protected characteristic. ATI will provide reasonable accommodations to qualified individuals with disabilities unless doing so would impose an undue hardship, consistent with the Americans with Disabilities Act and Alaska Human Rights Law.

Personnel Records

Important events in each employee's history with the company will be recorded and kept in the employee's personnel file. Change of status records, commendations, corrective action warnings and educational attainment records are examples of records maintained.

Your personnel file is available for your inspection in accordance with Alaska law. Contact your supervisor or the Business Office.

Workweek: Time Records

The standard full-time work week is comprised of 40 hours of work in a seven (7) day period commencing at 00:01 a.m. Sunday and ending at midnight the following Saturday. Lunch and rest periods will be scheduled by your supervisor so that staff will be available to provide customers with full and continuous service during office hours. You are required to be available and ready to work when the workday begins. Repeated tardiness will be subject to disciplinary action.

From time to time, your supervisor may need to change your schedule to meet scheduling or other needs. We will try to give you advanced notice of such changes.

Time records are legal documents used to calculate payroll. Employees are responsible for accurately recording their time worked. Each employee is responsible for clocking in and out on his/her timecard. Any addition, correction or change on your timecard must be made by your supervisor or Port Manager. Falsifying, altering, or failing to record time may result in disciplinary action.

If you must leave work early for any reason, notify your supervisor. (See Attendance Standards and Absence Without Notice.)

Rest Periods

Employees are entitled to two rest periods of fifteen (15) minutes each in each working day. Employees who work a full half-shift of at least four (4) hours shall be entitled to one fifteen (15) minute rest period. Rest periods shall be taken approximately in the middle of the applicable four-hour work period. Rest periods shall be computed as time worked. Rest periods not taken may not be accrued. An employee may not report for work late or leave early in lieu of a break not taken.

The standard unpaid lunch period is 60 minutes. Supervisors may adjust break or lunch periods based on operational needs.

Shared spaces

ATI provides lunchrooms in some of its facilities for the convenience and comfort of all of its employees. It is expected that the lunchrooms will be maintained in a neat and orderly manner. Please clean up after you are finished with your coffee break or lunch period.

Employees are expected to help maintain clean and sanitary restroom facilities out of respect for coworkers. Please dispose of paper products properly, wipe down any spills or messes, and report any maintenance or cleanliness issues to a supervisor promptly.

Job Descriptions

Job descriptions are intended to outline general responsibilities and may change over time based on business needs. From time to time, employees are expected to perform duties and handle responsibilities that are not part of their normal job. If, over time, new duties and responsibilities remain a significant part of the assignment, the job description may be changed.

Job Posting

ATI seeks to promote qualified employees from within the organization. Available openings may be posted and be accompanied by a job description. You are eligible to apply for a posted position if you have been in your present position for at least six (6) consecutive months with no breaks in service. Promotions to available vacancies are based upon demonstrated ability; training for the job; experience in present and previous jobs; performance; education; ability to work with others; attendance; and similar qualifications. We may also hire from the outside to fill vacancies.

Not all position changes are promotions. A lateral move—a transfer to a role with similar responsibilities—may not include a wage adjustment but can offer valuable career development and expanded responsibilities.

Return of Company Property

All company property must be returned prior to the issuance of the final paycheck, to the extent allowed by law.

Other Employment

There is no objection to your obtaining outside employment provided that you notify your supervisor of such

employment. However, if the outside employment is with a competitor, adversely affects your performance, attitude, attendance or is of a type that reflects unfavorably upon the company or reduces the quality of the work you perform for the company, you may be asked to either leave your other job or your job with the company. (Also see section on Conflict of Interest.)

All drivers need to remember that hours worked elsewhere count against the maximum number of hours that you work in a day and in a week. Federal regulations require that you have a minimum of eight (8) hours off between working hours. If, for example, you work at another job until 2 in the morning, you would not be able to start working for ATI until 10 a.m. As mentioned in the paragraph above, if your outside employment interferes with your job, as the above example does, you may be asked to either give up the other job or leave the company. All drivers will be provided with the DOT Federal Rules and Regulations and drivers need to be aware of the hours-of-service regulations in addition to the other regulations in the book. ATI may require further disclosure of secondary employment to ensure DOT and hours-of-service compliance.

Personal Property

ATI is not responsible for loss of or damage to the personal property of an employee.

Personal Status Change

Each employee is required to advise the Port Manager and the Business Office in a timely fashion, of any change in his or her telephone number, address, name, dependents and marital or other family status. This responsibility includes employees on lay-off status and leaves of absence.

Termination of Employment

Employment may end through resignation, retirement, layoff, or termination. Upon separation, employees must return all company property and complete any required documentation. An exit interview may be conducted to gather feedback and ensure a smooth transition.

If you choose to resign from your position, we request that you provide a minimum of two (2) weeks' written notice. This notice period allows for a smoother transition of responsibilities and helps ensure continued operations. Failure to provide adequate notice may impact eligibility for rehire or the final payout of certain benefits, if applicable.

Accrued but unused PTO will be paid out only to employees who are eligible for cash out under the company's PTO policy. PTO balances not paid at separation will be reinstated if the employee is rehired within six (6) months, in accordance with Alaska Statutes.

II. WAGE AND SALARY POLICIES

Employee Classification

ATI classifies each position as either exempt or non-exempt in accordance with the Fair Labor Standards Act (FLSA) and applicable state laws. Classification is based on duties performed, not job title alone, and is evaluated in accordance with applicable federal and state wage laws.

Exempt employees are not eligible for overtime pay, regardless of the number of hours worked in a work week. To qualify as exempt, an employee must meet specific criteria regarding job duties and salary level, typically including executive, administrative, professional, or certain computer-related roles. Exempt employees are paid a fixed salary that is intended to cover all hours worked.

Non-exempt employees are entitled to overtime pay at one and one-half times their regular rate of pay for all hours worked over 8 hours a day or 40 hours in a workweek, as required by Alaska Law (overtime after 8 hours per day or 40 hours per week). These employees are typically paid on an hourly basis and must accurately report all time worked.

Work Schedule: ATI classifies employees based on the expected duration and number of hours worked per week. Classification affects eligibility for benefits but does not guarantee hours, continued employment, or benefit eligibility beyond what is required by law.

Full-Time Employees: Employees who are regularly scheduled to work 40 hours per week (173.33 hours per month) on a planned continuous basis. Full-time employees may be eligible for company-provided benefits, subject to the terms and conditions of each benefit plan.

Part-Time Employees: Part-time employees are those who are regularly scheduled to work less than 40 hours per week on a planned continuous basis.

- **Part-Time 30+:** Employees scheduled to work at least 30 hours per week for more than 120 days/year on a planned continuous basis may be eligible for limited benefits, as specified in company policy or benefit plan documents.
- **Part-Time <30:** Employees scheduled to work less than 30 hours but at least 20 hours per week are generally not eligible for benefits, unless specifically stated in company policy or benefit plan documents.

Temporary Employees: Employees hired for a short-term assignment, typically less than six months, to meet specific business needs such as project work, leave coverage, or seasonal demand. Temporary employees are not eligible for company benefits unless required by law or otherwise stated in their employment agreement. Temporary employees work less than 1,000 hours annually.

Seasonal Employees: Employees hired to work during a particular time of year or recurring season, such as summer or other periods when business activity temporarily increases. Seasonal employees may work full-time or part-time hours but are not eligible for benefits unless required by law.

General Wage and Salary Policy

We strive to pay wages and salaries at ATI that are competitive with those in our community and industry, recognizing individual effort and contribution to company success.

Our wage and salary plan classifies each position based on:

- Knowledge and ability requirements
- Variety and scope responsibilities
- Physical and mental demands

Established wage or salary ranges normally are reviewed once a year and adjusted as appropriate.

Wage or Salary Increase Policy

Our wage and salary policy provides for periodic review of employee compensation based on performance, responsibilities, and company conditions. Typically, your wage or salary will be reviewed annually, although additional reviews may occur under extraordinary circumstances. Pay increases are not guaranteed but may be awarded based on merit, changes in job duties, market conditions, or other relevant factors. Wage adjustments may also be influenced by cost-of-living trends and the company's financial position.

Overtime Pay

In accordance with state and Federal law, all non-exempt employees will be paid an hourly wage equal to one and one-half times their normal hourly wage for all hours worked in excess of eight hours in one day or forty hours in one week. Overtime must be pre-approved by the employee's supervisor or the Port Manager. Unauthorized overtime may result in disciplinary action.

Callouts

Non-exempt employees who are called back to work outside of their regularly scheduled hours by an appropriate management official may be eligible for a minimum of two hours of compensation, typically at the applicable overtime rate, regardless of the actual time worked. This provision is intended to fairly compensate employees for disruptions to their non-work hours. The following guidelines apply:

1. Supervisor authorization is required. Your supervisor or port manager must authorize callouts.
2. Call-outs are intended for urgent or unplanned work needs that arise outside of normal working hours. They are not to be used to complete regular tasks not completed during scheduled shifts. Employees may not deliberately delay or leave work unfinished in order to create a need for a call-out.
3. Supervisors are responsible for documenting reasons for callouts and should ensure appropriate reporting for payroll purposes.

Travel Expense and Compensation

Performance of your duties may occasionally require that you travel to a location other than your home port. ATI recognizes the potential inconvenience of such travel. While away from your home port, the company will reimburse you as described below for reasonable expenses, including meals, lodging and transportation. To the extent possible, arrangements for lodging and transportation should be made in advance through your Port Manager, who will submit a travel authorization form to the business office. Automobile rentals must be approved in advance by your Port Manager in order to be eligible for reimbursement.

Travel Expenses

Supervisors and managers, who may incur other expenses during travel will either use a company issued credit card or be reimbursed for actual expenses incurred. To ensure proper expense reimbursement, expenses must be promptly submitted, with appropriate receipts, on an ATI expense report form. If expenses are paid with a company credit card, receipts shall be coded and submitted immediately upon return from travel.

Meals & Incidental Expenses (M&IE) Per Diem Policy

Hourly, non-supervisory employees who travel overnight for work-related purposes are eligible to receive a per diem allowance for meals and incidental expenses (M&IE), in accordance with IRS accountable plan rules. The standard per diem for M&IE is \$75.00 per day. However, if the applicable federal M&IE rate published by the U.S. General Services Administration (GSA) for the travel destination is less than \$75.00, the GSA rate will apply in order to maintain the non-taxable status of the per diem payment.

For the first and last day of travel, the per diem will be paid at 75% of the daily rate:

- \$56.25 per day if using the standard \$75.00 rate.
- 75% of the applicable GSA rate, if the GSA rate is lower than \$75.00.

Per diem covers meals and incidental expenses only. Lodging is handled separately and must be supported by actual receipts if reimbursed.

To comply with IRS accountable plan requirements, employees or their managers must submit a completed travel authorization prior to travel that includes:

- Dates of travel
- Destination(s)

- Business purpose of the travel

Receipts are not required for meals or incidental expenses under this policy. However, if lodging is reimbursed separately, lodging receipts must be submitted. Any per diem amount exceeding the applicable GSA M&IE rate must be returned within 120 days to avoid tax consequences, so if travel is canceled or shortened, please be prepared to reimburse unused amounts.

Travel Compensation

It is the company's policy to compensate non-exempt employees for actual hours worked, plus two hours travel time, subject to a minimum number of hours equivalent to that employee's normal daily work schedule. Exempt employees will be compensated their normal daily wage.

Examples:

Scenario 1: An employee leaves Sitka at 6:00 AM to travel to Juneau for a work assignment. They work from 8:00 AM to 12:00 PM, then are off duty for the rest of the day. They return to Sitka at 10:30 PM the same day. In this case, the employee will be paid as follows:

- **4 hours** for actual time worked (8:00 AM – 12:00 PM)
- **2 additional hours** of travel pay, as provided by policy.
- **An additional 2 hours** to bring total compensation up to the employee's normal daily schedule (assuming a standard 8-hour workday)

Total paid hours: 8 hours

Scenario 2: An employee leaves Sitka at 6:00 AM to travel to Juneau for a work assignment. They work from 8:00 AM to 5:00 PM, with a one-hour unpaid lunch break, which matches their normal work schedule. They return to Sitka at 10:30 PM the same day. In this case, the employee will be paid as follows:

- **8 hours** for the regular workday (8:00 AM – 5:00 PM, minus 1-hour lunch)
- **2 additional hours** of travel pay, as provided by policy.
- **No additional compensation** is due for travel outside normal hours, unless the employee is performing work during that time.

Total paid hours: 10 hours

For purposes of calculating overtime, the two-hour travel time allowance is considered hours worked.

Payroll Deductions

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following:

- Federal Income Tax Withholding
- Social Security and Medicare (FICA),
- State Unemployment Insurance (AUC)
- Other deductions may include employee-authorized items such as health insurance premiums, 401(k) contributions, garnishments as required by law, or other items designated by the employee.

At the end of each calendar year, you will be supplied with your Wage and Tax Statement (W-2) form. This statement summarizes your income and deductions for the year. If you have any questions regarding these deductions, please contact the Business Office.

Pay Days

Payroll periods run from the first (1st) of the month through the fifteenth (15th) of the month and from the sixteenth (16th) of the month through the last day of the month. Pay checks will be issued within five (5) business days after the end of the pay period.

EMPLOYEE BENEFITS AND SERVICES

ATI offers a competitive benefits package to eligible employees. Full details are provided in plan documents during enrollment. This handbook provides only a summary of the benefits and describes which classification of employee is eligible for which benefits. Contact the Business Office for official plan terms or assistance.

If your employment ends or your eligibility for group health coverage changes due to a qualifying event (such as reduction in hours, or other circumstances defined by federal law), you and your eligible dependents may have the right to continue group health coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA).

To continue coverage under COBRA, you must elect continuation and are responsible for paying the full cost of the premium, plus any applicable administrative fees, as permitted by law.

The existence of these employee benefits in and of themselves does not signify that an employee will be employed for the requisite time necessary to qualify for these benefits and plans.

Health, Dental, and Life Insurance

ATI provides company-paid health, dental, and life insurance to eligible employees. Dependent coverage is available; the company pays a portion of the premium, and the remainder is deducted evenly from each paycheck. Rates are updated annually and distributed during open enrollment, which takes place towards the end of the calendar year. Coverage begins the first day of the month following the date of hire. Refer to the insurance booklet or contact the Business Office for full details.

Opt-Out Provision (Cash-in-Lieu of Benefits)

Employees who are eligible for the Company's group health and dental plan may choose to waive coverage and receive a taxable opt-out incentive if they provide proof of enrollment in a qualifying group health insurance plan (such as through a spouse's employer). Note that individual marketplace plans, TRICARE, Medicare, or Medicaid do not qualify.

The incentive is \$600/month as of July 1, 2025, and will be updated annually. To receive this, employees must complete a waiver form during open enrollment or within 30 days of gaining qualifying coverage and must provide proof of coverage. Payments are made in equal installments and subject to standard payroll taxes. Loss of external coverage must be reported immediately.

Life Insurance. Eligible employees may sign up for term life and accidental death and dismemberment insurance plan in the amount of \$25,000. The company will pay the premium for this benefit.

Social Security

All employees are covered by the Federal Social Security Act. A required percentage of your salary is deducted from your paycheck to pay the employee's portion of this protection. The company matches your deduction dollar for dollar. The plan is designed for your future security and that of your dependents by providing for retirement, disability, death, survivor and Medicare benefits.

State Unemployment Insurance

This program is funded by employers and employees in Alaska. The program provides weekly benefits if you become unemployed through no fault of your own or due to circumstances described by law.

Workers' Compensation

ATI carries insurance to cover the cost of work-incurred injury or illness. Benefits help pay for your medical treatment and part of any income you may lose while recovering. Specific benefits are prescribed by law depending on the circumstances of each case. To be assured of maximum coverage, work-related accidents must be reported immediately to your supervisor and the Business Office.

Flexible Benefits Plan

ATI has a flexible benefits plan that allows eligible employees to select among one or more non-taxable benefits according to Section 125 of the IRS code. Participants who select this program will be reimbursed for qualifying medical expenses under Code Sections 105(b) and 106 and qualifying dependent care expenses under Code Section 129. Contact the Business Office for complete details of this plan.

Retirement - 401(k) Plan

ATI offers a 401(k) retirement plan with both employee and employer contributions. Eligible employees may elect to contribute a portion of their wages on a pre-tax or Roth basis, subject to annual IRS limits.

The 401 (k) plan is structured as follows:

- Safe Harbor Contribution: 3% of compensation, fully vested, regardless of employee contribution.
- Matching Contribution with Employee Contribution: 100% match on the first 3% of employee contributions for a total maximum employer contribution of up to 6% of compensation including the safe harbor contribution.

Eligibility and Vesting—Employees are eligible to participate in the 401(k) Plan and receive employer contributions in accordance with plan eligibility requirements, as outlined in the Plan Summary Description. The safe harbor and employee contributions are 100% vested immediately while the employer match portion vests over 5 years.

Please refer to the 401(k) Plan Summary Description and related materials for full details on eligibility, contribution limits, and investment options. The Business Office will let you know when you are eligible to enroll in the plan (generally after 6 months of full-time employment). Notification will be sent prior to your eligibility date. While this plan has important savings and tax advantages, other aspects require careful consideration. Read the special booklet describing the plan in detail and consult the Business Office if you have any questions.

Holidays

In place of designated paid company holidays, ATI provides regular full-time employees with eight (8) floating holidays per calendar year, issued in two equal allotments. This policy offers flexibility while ensuring adequate coverage for business operations.

Employees will be granted four (4) floating holidays on January 1 and four (4) floating holidays on July 1 of each calendar year. Newly hired employees will receive a prorated number of floating holidays based on their hire date.

Floating holidays must be used in the calendar year in which they are issued. No unused floating holidays will carry over into the next calendar year, and unused days will be forfeited if not used by December 31. Floating holidays are not paid out upon separation of employment or at year-end.

Use of floating holidays require advance approval from a supervisor and must be scheduled in accordance with operational needs. Floating holiday requests must be submitted through the company's standard time-off request procedures. Employees are encouraged to plan ahead and use their floating holidays throughout

the year to avoid loss of days due to non-use. Supervisors are responsible for managing scheduling conflicts while supporting reasonable use of floating holidays.

If an employee chooses—or is required—to work on a traditional holiday, they will be compensated at their regular rate of pay. Floating holidays are intended to provide scheduling flexibility; therefore, if an employee works on a traditional holiday, they may use a floating holiday (or PTO) to take an alternate day off in lieu of that holiday, subject to supervisor approval and operational needs.

Benefit Eligibility

	Full time employees	Part-time 30+ hours/week*	Part-time <30 hours/week*	Temporary and seasonal
Medical and Dental Insurance	Yes	Yes	No	No
Flexible Spending Account (medical and dependent care)	Yes	Yes	No	No
Accidental Death and Dismemberment	Yes	Yes	No	No
Group Life Insurance	Yes	Yes	No	No
Employee Assistance Program	Yes	Yes	Yes	No
401 (k) Plan (employer contribution, employer match, and elective deferrals)	Yes	Yes	If eligible under plan**	If eligible under plan**
Paid Time Off (PTO)	Yes	Yes	Yes	Yes***
PTO cash-out****	Yes	No	No	No
Extended Sick Leave	Yes	No	No	No
Floating Holidays	Yes	No	No	No
Paid Jury Duty	No	No	No	No

**see Section II*

***employees must be 21 or older and must work 500 hours in each of two consecutive 12-month periods*

****unless exempted under AS 23.10.069*

*****PTO balances for part-time employees will not be paid out at termination, however balances will be reinstated if an employee returns to service within 6 months.*

LEAVE POLICIES

Leave Banks—Paid Time Off (PTO) & Extended Sick Leave (ESL)

Eligible employees may accrue PTO as well as ESL depending upon eligibility. PTO is a flexible leave benefit for vacation, rest, illness, medical appointments, or personal needs. ESL is limited-purpose leave for longer absences due to illness or other qualifying events lasting more than three days. Abuse of leave banks will result in disciplinary action up to and including termination.

Arrowhead Transfer Inc. will not retaliate against any employee for the employee's lawful use of leave or the exercise of their rights provided under federal, state and local laws. This policy will be applied in accordance with applicable federal, state and local laws. Questions regarding this PTO and ESL policy should be directed to the Business Office.

Paid Time Off (PTO) Bank

Scheduling: We are a highly seasonal business, and each department or area has its own individual "busy time" when staffing becomes critical. **You are strongly encouraged to take paid time off during the slack time of year for your department/area.** Employees should request time off as soon as practicable. Consult your manager if you have questions about scheduling.

Accrued but unused PTO allowances will be paid at termination to eligible full-time employees who resign, retire or are released from employment.

Accrual: Full-Time employees begin to accrue PTO the first pay period of employment according to the schedule below. PTO hours accrue each pay period that an employee is paid. PTO does not accrue during any unpaid leaves of absence. Your paystub will reflect your PTO balance. Employees accrue leave at a set amount per pay period. PTO may be used in any ¼ hour increment.

	Part-time & temporary	Years of Continuous Service as Regular Full-Time Employee			
	All years	1st Year	2nd– 4th year	5th–9th year	10th + years
PTO accrual rates					
Full-time employees- <u>per pay period</u>	n/a	2.9167 hours	4.3333 hours	6 hours	7.667 hours
Hourly equivalent for part-time and temporary employees	.0337 hours	n/a	n/a	n/a	n/a
Annual maximum PTO accrual	56 hours	70 hours (8.75 days)	104 hours (13 days)	144 hours (18 days)	184 hours (23 days)
Maximum PTO carry-over for calendar year	56 hours		320 hours (40 days)	320 hours (40 days)	320 hours (40 days)

PTO counts as an absence from work and does not count towards a 40-hours worked during the week when computing overtime pay.

No employee will be granted PTO in anticipation of future PTO earnings.

Cashing out PTO

Full-time employees may cash out PTO balances over 40 hours. Any employee wishing to do this must request this not less than three (3) days prior to a scheduled pay period. ATI will not issue payment at any other time.

Donating Accrued PTO to Another Employee

Employees may voluntarily donate a portion of their accrued Paid Time Off (PTO) to a co-worker who is facing a qualifying personal hardship, such as a serious illness or family emergency, subject to management approval and applicable policy guidelines. The recipient must have used up all available PTO or ESL to be eligible.

PTO may be donated in hours only and is not adjusted for differences in pay rates between employees. Approval is at management's discretion. If you wish to donate vacation hours to a fellow employee, you will need to submit a letter to the Business Office outlining who should get the hours and how many hours you wish to donate. All requests must be made in writing, preferably by email.

Extended Sick Leave (ESL)

Arrowhead Transfer Inc. requires a strong commitment to teamwork and we expect you to make every effort to be at work on all days you are scheduled to work. However, we recognize that you have a

responsibility to care for yourself and members of your family in the event of illness or injury. When accrued, ESL is available as a benefit to assist during those times.

ESL provides additional paid leave for extended illness, injury, or family care lasting more than three days. PTO or unpaid leave must be used for the first three days before ESL can be accessed (except for bereavement).

Eligible employees may use ESL for the following reasons, including:

- Bereavement;
- Absences where you cannot work due to illness or injury longer than 3 consecutive workdays;
- Maternity leave; and
- Care for a sick family member longer than 3 consecutive workdays.

Except for bereavement, to use ESL days, you need to be away from work for at least 3 consecutive workdays and be disabled due to sickness, injury, or caring for an ill or injured family member. You must first use PTO or unpaid leave during the 3 three days of absence before accessing your ESL bank.

Who is a covered “family member”?

- A child including: a biological, adopted, stepchild, foster child, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status;
- A parent including: a biological, adoptive, or a stepparent;
- A spouse;
- A grandparent;
- A grandchild; or
- A sibling.

Scheduled: You must schedule your leave in advance with your manager’s approval with the exception of unexpected illness or emergency.

Unscheduled: Employees using leave for unforeseeable absences are still expected to follow Arrowhead Transfer Inc’s normal notice procedures with respect to any absence. For unforeseeable absences, you are expected to communicate with your manager as soon as possible prior to the start of your normal shift. Employees who have an unscheduled absence from work must communicate with their manager each day prior to the start of their shift.

Accrual: Full-Time employees begin to accrue ESL the first pay period of employment according to the schedule below. ESL hours accrue each pay period that an employee is paid. ESL does not accrue during any unpaid leaves of absence. Your paystub will reflect your ESL balance.

ESL accrual rates per pay period:	2 hours
Annual for Full-Time Employees:	48 hours (6 days)
Maximum ESL Accrual Bank (MEL):	240 hours (30 days)

Bereavement:

You may use ESL days for bereavement in the following amounts beginning on day 1:

Up to 5 working days to a maximum of 40 hours:	For spouse, child, parent, brother, sister
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Up to 3 working days to a maximum of 24 hours:	For grandparent, father-in-law, mother-in-law, daughter-in-law, son-in-law
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The company does not cash out accrued, unused ESL upon termination or at any other time. Unused ESL is forfeited upon termination. Extended Sick Leave counts as an absence from work and does not count towards a 40-hour worked week when computing overtime pay. ESL hours are not available for donation.

Jury Duty

ATI recognizes and supports the responsibility of all citizens to participate in our system of law. Those employees who are selected for jury duty are encouraged to participate if they are able to do so, depending on their other commitments. If you receive jury duty summons, notify your supervisor immediately so that arrangements can be made in advance for getting your work done while you are gone. Jury duty leave is unpaid unless PTO is used. Employees may request deferral from service if it would cause financial hardship. Notify your supervisor immediately upon receiving a summons. You are expected to report to work during the normal work hours when your presence is not required for such duty.

Unpaid Leaves of Absence

Unpaid leaves are granted at ATI's discretion based on business needs and employee circumstances. This policy does not imply a right to leave or reinstatement. All leave must be requested in writing (except in emergencies).

Factors In Deciding on Leave Requests:

ATI will consider the following factors in deciding whether to grant a requested leave: [a] the purpose of the requested leave, [b] the length of the requested leave, [c] the employee's work record, [d] ATI's work load requirements, and [e] all vacation leave has been exhausted.

The following situations are ones which ATI may, depending on other factors, justify granting a leave:

Medical: Absence from work due to severe illness, injury, pregnancy, childbirth, or other related conditions. Any employee who is absent from work for these reasons and has exhausted all accrued sick leave is required to request a medical leave of absence. ATI reserves the right to require a doctor's statement indicating the nature of the medical condition, anticipated date that the employee will be physically able to resume regular job duties, and any other necessary information.

Personal: Absence from work due to illness in the family, travel, serious personal problems, paternity leave, discretionary maternity leave (after an employee has recovered from disability related to pregnancy and childbirth and is capable of returning to work from a medical standpoint), or when unusual or unavoidable circumstances require the employee's absence.

Military: Absence from work due to voluntary or involuntary military service. Military services include Reserve and National Guard Duty.

How To Apply: Except under emergency and other unanticipated situations when an oral request is sufficient, all requests for leave must be in writing and must be given to the employee's supervisor or Port Manager at least 15 calendar days before the date the desired leave is to begin. Advance approval is required from your supervisor and management. If the request for leave is denied, it may be returned to you with the reason for denial indicated on the request.

Length of Leave and Conditions of Approval:

Generally, with the exception of military leave, a leave may not be granted for a period exceeding 90

calendar days. No more than one unpaid leave can be taken in a calendar year, except in cases where medical reasons require the employee to be absent and insufficient sick leave has been earned to cover the time period involved. The 90-day maximum period includes other paid time off work (sick leave, vacation, etc.) taken during the same time period. Under NO circumstances will a leave of absence be granted to an employee who wishes to obtain or engage in other employment outside ATI.

Effect on Employee Benefits:

PTO and ESL WILL NOT accrue during any unpaid leave of absence.

If you take unpaid leave of absence of more than 30 days and wish to continue your health insurance coverage, you will have to request the coverage from the Business Office. The coverage is available under a federal regulation called COBRA. If you take advantage of COBRA, you will be required to pay the applicable health insurance premiums until you return to work. Contact the Business Office for details and cost.

Reinstatement:

The granting of an unpaid leave of absence from ATI does not constitute a guarantee of re-employment. While ATI will make a reasonable effort to place an employee who has returned from a leave of absence in his or her former position or in an equivalent job, business conditions or other circumstances may make it necessary to fill or eliminate an absent employee's position.

While no loss of service credit occurs during an approved leave of absence, there are other factors to consider such as benefit continuation, reinstatements and approval processes. See your supervisor and/or contact the Business Office for these details.

Employee Assistance Program

Our employee assistance program (EAP) provides you and your family with confidential counseling services. They are staffed by experienced professional counselors who will provide information, immediate treatment or referral to other sources. All contact is confidential. You may learn more by calling **(800) 777-4114** or visit www.FirstChoiceEAP.com, where you can learn more by logging in with the **username: arrowhead and password: employee**. Further information is also available on our portal or through the Business Office.

Automatic Bank Deposit

Employees may choose to have their paychecks automatically deposited into a bank account of their choice. To set up direct deposit, please contact the Business Office for the necessary forms and instructions.

Employee Discount

Propane is available at a reduced employee rate in those ports where we sell propane. An employee 60 years or older, who is retiring in good standing from ATI after 10 or more years of full-time service may be eligible to receive the reduced employee rate for propane for an additional five (5) years. Please contact the propane customer service person in your port for the current price. Other products sold by Arrowhead LP Gas may be purchased at an employee rate of landed cost plus 10%.

Employees also receive a discount on freight services provided by Alaska Marine Lines and Lynden Transport.

III. EMPLOYEE COMMUNICATIONS

Bulletin Boards

Some ATI offices have a bulletin board which is used to communicate important company information. All posted items must be work related only and approved in advance by the Business Office and/or Port Manager. In addition, electronic systems are available and should be a primary source of information.

You are responsible for regularly reading the information posted on the bulletin board or electronic systems.

Concerns & Suggestions

You are encouraged to discuss any matters of concern with your immediate supervisor, your Port Manager or Management. You are also encouraged to submit suggestions that will improve services for our customers or working conditions. Management is particularly attentive to suggestions which propose [a] a new or different idea for adding income to the company by either solving a customer's or a company problem; [b] ways to reduce costs by saving time; or [c] ways to upgrade working conditions, increase efficiency or eliminate job hazards.

If you have a suggestion for improvement in one of the above categories or in other areas, please submit it to your supervisor, Port Manager or Management. Your suggestion could bring you the recognition that is valuable for your career development.

Each port has a suggestion box where suggestions can be left. You do not have to sign any suggestions put into the suggestion box. If you do sign your suggestion, management will acknowledge your suggestion.

Complaint Handling Procedure

Under normal conditions, if you have a job-related problem, question or complaint, you should discuss it with your supervisor. The simplest, quickest and most satisfactory solution will often be reached at this level.

If the discussion with your supervisor does not answer your question or resolve the matter to your satisfaction, you may then present your complaint, orally or in writing, to the next higher level of management. If the matter is still not resolved satisfactorily, you may present your complaint in writing to the President who will render a final decision on the matter after appropriate investigation.

When the issue personally involves the supervisor or manager with whom you would ordinarily discuss a problem, you may bypass that individual and proceed to the next person in authority without fear of reprisal. At any time you may seek the advice and guidance of our Business Office.

Difficulties in using this complaint procedure should be brought to the attention of the Business Office.

Union-Free Employee Relations

ATI is union free and we intend to lawfully remain this way. Our policies and practices emphasize open-door practices in which you are encouraged to deal directly with your supervisor, the Business Office and other members of management regarding complaints. We believe your needs and ours are best met by avoiding the addition of an outside third party.

Media Relations

Because much of the information we work with is confidential or sensitive, all contacts with the media must be referred to the Manager of Business Administration or the Company President. All papers, articles, speeches or presentations to non-company persons must be approved by the Business Office, Vice President of Operations and or the Company President prior to publication or presentation.

IV. EMPLOYEE SAFETY AND HEALTH

Arrowhead Transfer, Inc. (ATI) is committed to maintaining a safe workplace and complies with all applicable federal, state, and local safety laws and regulations, including those established by the Occupational Safety and Health Administration (OSHA) and the State of Alaska. No employee will be knowingly required to perform work that is unsafe.

Safety is a shared responsibility. Every employee is expected to exercise reasonable care and good judgment to protect themselves, their coworkers, and the public.

General Safety Expectations

Each employee must perform their job duties in a safe and conscientious manner. ATI strives to provide a safe working environment, but employees play the most critical role in identifying and preventing hazards. Employees must:

- Follow all safety policies and procedures;
- Report unsafe conditions or practices immediately;
- Use protective equipment as required;
- Refrain from horseplay or unsafe behavior in the workplace.

Fires and Emergencies

IN CASE OF EMERGENCY, Dial 911.

Each ATI facility maintains an emergency procedure to follow in the event of fire or disaster and provides training to employees on its procedures. Emergency exits, fire extinguishers, and first-aid kits are located throughout the premises and must remain clear and accessible at all times. Employees should familiarize themselves with the emergency plan for their work location.

Reporting Injuries

All injuries, no matter how minor, must be reported immediately to your supervisor, the Port Manager, and/or the Business Office. This applies to injuries involving:

- Employees
- Customers or visitors on company premises
- Any company employee while conducting company business at any location

For injuries requiring medical treatment, employees must provide a written release from a licensed healthcare provider confirming their ability to resume work before returning to duty.

Additional details are available in the Workers' Compensation section of this handbook.

Reporting Vehicle, Equipment and Cargo Damage Accidents

If you are involved in an accident of any kind while on company business, regardless of whether or not you are injured or whether or not the equipment involved belongs to the company. You must report the accident, either verbally or in writing, to your supervisor as soon as possible and provide a copy of any accident report prepared in connection with the incident. Failure to report accidents or incidents can result in disciplinary action up to and including termination of employment.

Return to Work

If you are on medical disability, you must return to work when your physician or a company-appointed physician determines that you are able to resume normal duties. We require your physician's release before reinstatement to the active payroll. If you wish to extend your leave beyond this point, you must apply for a personal leave of absence.

In some cases, a physician's release may also be required following short-term sick leave or other medically related absences. Your supervisor will notify you if this is necessary.

Fit For Work Policy

ATI maintains a Fit for Work Policy to ensure all employees are physically, mentally, and emotionally capable of performing their duties safely.

- Employees are expected to report to work free from the effects of alcohol, drugs (including legal or prescription substances that impair performance), fatigue, or illness.
- All employees are required to read, acknowledge, and comply with the Fit for Work Policy. Copies are available electronically or from the Port Manager or Business Office.
- Employees regulated by the U.S. Department of Transportation (DOT) are subject to additional requirements, including mandatory drug and alcohol testing.

Violation of the Fit for Work Policy may result in disciplinary action, up to and including termination of employment.

V. STANDARDS OF CONDUCT AND CORRECTIVE ACTION

Employees are expected to conduct themselves in a professional, respectful, and responsible manner at all times. All employees are expected to use common sense and good judgment in determining what is appropriate in the workplace.

Examples of unacceptable conduct include, but are not limited to, behavior that disrupts the work environment, jeopardizes the safety or well-being of others, damages company property, or negatively affects the company's reputation or operations. Employees are encouraged to treat coworkers, customers, and vendors with courtesy and respect, and to contribute positively to a productive and safe workplace.

Violations of these standards may result in corrective action. Corrective actions may include, but are not limited to:

- Verbal counseling or warning
- Written warning
- Suspension (with or without pay)
- Final warning
- Termination of employment

The Company may, at its sole discretion, bypass one or more steps in this process depending on the circumstances. Nothing in this policy alters the at-will nature of employment.

Conflict of Interest

Employees are expected to avoid any activities, relationships, or financial interests that conflict—or appear to conflict—with the interests of ATI. Full disclosure of potential conflicts is required. Questions should be directed to your supervisor or the Business Office.

Use of confidential business information for personal gain or for the gain of others is strictly prohibited.

Harassment, Including Sexual Harassment

Harassment of any kind—verbal, physical, or visual—is strictly prohibited and may result in disciplinary action, up to and including termination.

Company Funds, Credit Cards, and Charge Accounts

Employees are prohibited from using company cash, credit cards, or charge accounts for personal purposes. This includes removing cash from registers (e.g., IOUs), making unauthorized purchases on vendor accounts, or using a company credit card for non-business expenses. All company financial resources must be used solely for legitimate, pre-approved business purposes. Misuse of company funds, credit cards, or charge accounts will result in disciplinary action, up to and including termination.

Use of Company Vehicles

Employees may not deviate from assigned duties while operating company vehicles. Personal errands or use (e.g., taking a vehicle home for lunch) are prohibited unless expressly pre-authorized by a supervisor or Port Manager.

Passengers In Company Trucks and Equipment

Non-employees may not ride in company vehicles or equipment unless prior written approval is granted by the Port Manager, Business Office, or Company President. Only ATI employees are permitted to ride in forklifts, trucks, or partner equipment (e.g., Lynden Transport or Alaska Marine Lines equipment).

Honesty and Integrity

Employees are expected to act with honesty in all transactions. Theft, fraud, falsification of documents, or mishandling of property—whether involving customers, coworkers, or the company—will result in immediate termination.

Attendance Standards

Employees are expected to report to work on time and remain for their full scheduled shift. If you will be absent, late, or need to leave early, notify your supervisor, Port Manager, or the Business Office as early as possible.

No-Call/No-Show Policy

Failure to report to work or communicate with ATI for three consecutive days will be considered a voluntary resignation. Daily contact is required for short-term absences unless otherwise arranged with your supervisor.

Confidentiality

Employees must protect confidential information concerning ATI, its partners, and its employees. Sharing such information outside the company is prohibited. Confidential documents should be secured at the end of each workday. Breach of confidentiality may lead to disciplinary action or termination.

Dress and Personal Appearance

Employees are expected to maintain a clean, neat, and professional appearance. Appropriate dress may vary by service area, but all employees should avoid clothing or grooming that distracts from a professional environment.

Employees may be sent home to change inappropriate attire, at their own expense. When in doubt, consult your supervisor. General guideline: *Be professional, neat, and avoid extremes.*

Conduct off the Job

Employees should conduct themselves responsibly off the job and avoid behavior that could harm ATI's reputation or customer relationships.

Smoking and Nicotine Use

Smoking and the use of tobacco or nicotine products—including cigarettes, cigars, vaping devices, and similar items—are strictly prohibited in all ATI vehicles, facilities, and equipment.

Employees who use chewing tobacco, snuff, or other smokeless products must fully contain any discharge (spit) in a sealed, spill-proof container. Discharge must not be disposed of in trash receptacles or anywhere that could cause contamination or damage to ATI property.

Violations of this policy may result in disciplinary action, up to and including termination.

Telephone and Cell Phone Use

Company phones are for business use. Personal calls should be limited to emergencies or essential matters and kept brief.

Limited personal cell phone use is permitted during breaks and downtime but must not interfere with productivity, safety, or customer service. Excessive or inappropriate use may result in disciplinary action.

Computer and Technology Use

ATI's computers, software, and electronic systems are to be used solely for company business. Unauthorized copying or use of software is prohibited.

Supervisors may access employee files or computers when needed for business purposes. Employees should not expect complete privacy when using company systems.

Agency Relationships and Partner Companies:

ATI maintains agency and partnership relationships with other companies, including Alaska Marine Lines, Lynden Transport, Lynden Inc., Harang Rentals, and others.

All employees performing work on behalf of these partners must follow ATI's rules and policies as outlined in this handbook, regardless of the client or company being served.

Discipline Policy

Supervisors and managers are responsible for enforcing company policies. Employees are expected to follow all ATI rules and supervisor instructions.

Disciplinary action may be taken at the company's discretion for violations of policy or conduct standards. Discipline may range from counseling to termination, depending on the circumstances.
