



EMPLOYEE HANDBOOK

VERSION 02.24



Employee Handbook

Prepared by:

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This Employee Handbook has been developed to familiarize employees with Chancy Drugs and to provide information about working conditions, key policies, procedures, and benefits affecting employment at Chancy Drugs. It is intended to provide guidance for the desired behaviors and actions of those who work here, and to provide guidance to management for handling common workplace matters in a manner that is equitable and objective. This Handbook, and all policies, procedures, and benefits outlined within, apply to all positions within Chancy Drugs (hereinafter referred to as “the Company”).

Not all the Company's policies and procedures are set forth in this Employee Handbook. We have summarized only some of the more important ones. If an employee has any questions or concerns about this Employee Handbook or any other policy or procedure, they should ask their supervisor, a Human Resources representative, or another member of management.

Nothing in this Employee Handbook is intended to violate any local, state, or federal law. Nothing in this Employee Handbook is intended to limit any concerted activities by employees relating to their wages, hours or working conditions, including the right to communicate with others concerning wages, hours, benefits, and other terms or conditions of employment; to self-organize, form, join or assist labor organizations; to bargain collectively through representatives of the employees' choosing; to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; or to refrain from engaging in such activities, or any other conduct protected by Section 7 of the National Labor Relations Act (NLRA). Furthermore, nothing in this Handbook prohibits an employee from reporting concerns, making lawful disclosures, or communicating with any governmental authority about conduct the employee believes violates any laws or regulations.

The content of this handbook does not constitute, nor should it be construed as a promise of employment or as a contract between the Company and any of its employees. Except for the policy of at-will employment, the Company, at its option, may change, delete, suspend, or discontinue parts of, or the policy in its entirety, at any time, without prior notice. No oral statements or representations can change the provisions of this Employee Handbook. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

This Employee Handbook supersedes all previously issued Employee Handbooks.

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About Our Company

Let us be the first to welcome you to our great company!

Our father and mother, Hubert and Sue Chancy, started Chancy Drugs back in 1966 in Hahira because of a real passion for helping people and because of his love for Lowndes County and Hahira in particular. Dad has since passed away, but with our mom and the rest of the family, our business has continued to grow.

We take great pride in being an independent pharmacy locally owned and operated. We feel a great responsibility at each store to provide not just the best service but also a need to know our patients and their families. We love our patients, and we want them to know it. That is why our motto is:

“Making a Difference One Person at a Time”

Our father founded this business on two principles:

- 1) Maintaining the highest integrity in every area of business, and
- 2) Treating every patient like they are a member of our family.

We see it this way: it was important to Dad and so maintaining those two standards is important to us. There has been a great deal of pride that has brought our company to this point and so bringing on a new employee is just like expanding our family. So, congratulations on being our newest family member. We sincerely hope you will take pride in being an important part of this family and the Company's success.

Please take time to review the policies contained in this handbook, and if you have questions, feel free to ask your supervisor or to contact the Human Resources (HR) department.

Sincerely,

Hugh M. Chancy & Bert A. Chancy

Section I. General Information

1.1 Employment At-Will

Employment with Chancy Drugs is at-will unless state law provides otherwise. This means that employment may be terminated for any or no reason, with or without cause or notice at any time by the employee or by the Company.

Nothing in this Handbook or any oral statement will limit the right to terminate the at-will employment relationship. This at-will employment policy is the sole and entire agreement between the employee and the Company regarding the fact that employment with Chancy Drugs is at-will. No manager or supervisor has any authority to enter into a contract of employment - express or implied - that changes the fact that employment with the Company is at-will. **Only the Owner of the Company or their authorized representative has the authority to enter into an agreement that alters the at-will employment relationship and any such agreement must be in writing and signed by the Owner of the Company or their authorized representative.**

1.2 Changes in Policy

This Handbook supersedes all previous employee manuals and memorandums.

While every effort is made to keep the contents of this document current, the Company reserves the right to modify, suspend, or terminate any of the policies, procedures, and/or benefits described in this manual with or without prior notice to employees.

1.3 Effect of Law

It is understood and agreed that the terms and provisions of this Handbook are subject to the laws of the United States government and the laws of the state of Georgia. In the event any of the terms and provisions of the Handbook are, or become in violation of said laws, only such provisions in violation shall become void and of no effect.

1.4 Interpretation

The HR Manager has the authority to interpret the contents, intent, and meaning of the Employee Handbook. Additionally, it is the objectives of the HR Department to provide strategic support to all staff, and to interpret and resolve on behalf of the Company questions of policy and procedure concerning employee relations, wage and hour laws, and human resource administration.

Chancy Drugs at its option may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

Section II. Commitment to Diversity

2.1 Equal Employment Opportunity

Chancy Drugs is an equal opportunity employer. In accordance with applicable law, we prohibit discrimination and harassment against any applicant or employee based on any legally protected characteristics, including, but not limited to, veteran status, uniformed servicemember status, race, color, religion, sex, sexual orientation, gender identity, pregnancy (including childbirth, lactation and related medical conditions), national origin or ancestry, citizenship or immigration status, physical or mental disability, genetic information (including testing and characteristics) or any other category protected by federal, state or local law (collectively, "protected characteristics"). Our commitment to equal opportunity employment applies to all persons involved in our operations and prohibits unlawful discrimination and harassment by any employee, including supervisors and co-workers. We also comply with Georgia law, which prohibits discrimination and harassment against employees and applicants for employment based on age (40-70) and disability and prohibits wage differentials based on sex.

Any individual who believes that they or another individual has been subjected to discrimination in violation of this policy should report it pursuant to the Complaint Procedures described in the Company's Sexual and Other Unlawful Harassment policy. If the Company determines this policy has been violated, appropriate disciplinary action, up to and including termination of employment, will be taken.

Retaliation is prohibited against any person by another employee or by the Company for reporting proscribed discrimination or for filing, testifying, assisting, or participating in any manner in any investigation, proceeding, or hearing conducted by a governmental enforcement agency. An individual should report any retaliation prohibited by this policy pursuant to the Complaint Procedures described in the Company's Sexual and Other Unlawful Harassment policy. If a complaint of retaliation is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken.

2.2 Disability Accommodation

To comply with applicable laws ensuring equal employment opportunities for individuals with disabilities, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an employee or applicant for employment unless undue hardship and/or a direct threat to the health and/or safety of the individual or others would result.

Any employee who requires an accommodation to perform the essential functions of their job, enjoy an equal employment opportunity, and/or obtain equal job benefits should contact Human

Resources to request such an accommodation. Human Resources will communicate with the employee and the employee's supervisor/management team to engage in an interactive process to determine the nature of the issue and what, if any, reasonable accommodation may be appropriate. In some cases, this interactive process may be triggered without a request from the employee, such as when the Company receives notice from its own observation or another source that a medical impairment may be impacting the employee's ability to perform their essential job functions.

Employees who believe they need an accommodation must specify, preferably in writing, what barriers or limitations prompted the request. The Company will evaluate information obtained from the employee, and possibly their health care provider or another appropriate health care provider, regarding any reported or apparent barriers or limitations and will then work with the employee to identify possible accommodations, if any, that will help to eliminate or otherwise address the barrier(s) or limitation(s). If an identified accommodation is reasonable and will not impose an undue hardship on the Company and/or a direct threat to the health and/or safety of the individual or others, the Company will generally make the accommodation or it may propose another reasonable accommodation that may also be effective. Employees are required to cooperate with this process by providing all necessary documentation supporting the need for accommodation, and being willing to consider alternative accommodations when applicable.

Employees who wish to request unpaid time away from work because of a qualifying disability should speak to Human Resources regarding a proposed accommodation. The Company will not retaliate or otherwise discriminate against an employee or applicant who requests an accommodation in accordance with this policy.

2.3 Religious Accommodation

The Company will provide reasonable accommodation for employees' religious beliefs, observances, and practices when a need for such accommodation is identified and reasonable accommodation is possible. A reasonable accommodation is one that eliminates the conflict between an employee's religious beliefs, observances or practices and the employee's job requirements, without causing undue hardship on the conduct of the Company's business.

The Company has developed an accommodation process to assist employees, management, and Human Resources. Through this process, the Company establishes a system of open communication between employees and the Company to discuss conflicts between religion and work and to take action to provide reasonable accommodation for employees' needs.

Any employee who perceives a conflict between job requirements and a religious belief, observance, or practice should bring the conflict and their request for accommodation to the attention of Human Resources to initiate the accommodation process. The Company asks that accommodation requests be made in writing, and in the case of schedule adjustments, as far in advance as possible.

The Company will not retaliate or otherwise discriminate against an employee or applicant because they request an accommodation in accordance with this policy.

2.4 Sexual and Other Unlawful Harassment

The Company is committed to providing a work environment that is free of harassment based on any legally protected characteristics. As a result, the Company maintains a strict policy prohibiting sexual harassment and harassment against any applicant or employee based on any legally recognized status, including, but not limited to: veteran status, uniformed servicemember status, race, color, religion, sex, sexual orientation, gender identity, pregnancy (including childbirth, lactation and related medical conditions), national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), citizenship or immigration status or any other status protected by federal, state or local law (collectively, "protected characteristics").

The harassment proscribed by this policy applies to conduct by any person involved in our operations, including employees, supervisors, managers, temporary or seasonal workers, agents, patients, vendors, customers, or any other third party involved in the Company's operations, and this policy specifically prohibits conduct that creates or contributes to a hostile or offensive working environment for any Company employee or applicant based on protected characteristics. If such harassment occurs that an employee believes to be a violation of this policy, the procedures set forth in the Complaint Procedures in this policy should be followed.

The Company prohibits unlawful harassment and sexual harassment, as well as proscribed conduct that does not rise to the level of being unlawful. This policy is not designed or intended to limit the Company's authority to discipline or take remedial action for conduct that violates this policy that the Company deems unacceptable, regardless of whether that conduct satisfies the definition of unlawful harassment or sexual harassment.

Sexual Harassment Defined

Sexual harassment includes unwanted sexual advances, requests for sexual favors or visual, verbal, or physical conduct of a sexual nature when:

- Submission to such conduct is made a term or condition of employment; or
- Submission to, or rejection of, such conduct is used as a basis for employment decisions affecting the individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment, even if the individual making the report is not the intended target of such conduct.

Sexual harassment also includes various forms of offensive behavior based on sex. The following is a non-exhaustive list of the types of conduct prohibited by this policy:

- Unwanted sexual advances or propositions (including repeated and unwelcome requests for dates).
- Offers of employment benefits in exchange for sexual favors.
- Making or threatening reprisals after a negative response to sexual advances.
- Visual conduct: leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, posters, websites, emails, or text messages.
- Verbal conduct: making or using sexually derogatory comments, innuendos, epithets, slurs, sexually explicit jokes or comments about an individual's body or dress, whistling, or making suggestive or insulting sounds.
- Verbal and/or written abuse of a sexual nature, graphic verbal and/or written sexually degrading commentary about an individual's body or dress or sexual experiences, sexually suggestive or obscene letters, notes, invitations, emails, text messages, tweets, or other social media postings.
- Physical conduct: unwelcome or inappropriate touching, physical violence, intimidation, assault or impeding or blocking normal movements.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity or the status of being transgender, such as:
 - Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - Sabotaging an individual's work; and
 - Bullying, yelling, or name-calling.
- Retaliation for making reports or threatening to report sexual harassment.

Sexual harassment can occur regardless of the gender of the person committing it or the person who is exposed to it. Harassment on the basis of sexual orientation, self-identified gender, perceived gender, or transgender status are all forms of prohibited sexual harassment.

Other Types of Prohibited Harassment

Harassment on the basis of any legally protected characteristic is prohibited, including harassment based on veteran status, uniformed servicemember status, race, color, religion, sex, age (40 and over), pregnancy (including childbirth, lactation and related medical conditions), national origin or ancestry, physical or mental disability, genetic information (including testing and characteristics), citizenship or immigration status or any other consideration protected by federal, state or local law. Prohibited harassment may include behavior similar to the illustrations above and may also include, but is not limited to:

- Verbal conduct including taunting, jokes, threats, epithets, derogatory comments or slurs based on an individual's protected characteristics;
- Visual and/or written conduct including derogatory posters, photographs, calendars, cartoons, drawings, websites, emails, text messages or gestures based on an individual's protected characteristics; and
- Physical conduct including assault, unwanted touching or blocking normal movement because of an individual's protected characteristics.

Protection Against Retaliation

Retaliation is prohibited against any person by another employee or by the Company for using the Complaint Procedures provided below; reporting proscribed discrimination, harassment, sexual harassment or retaliation; objecting to such conduct; or filing, testifying, assisting or participating in any manner in any investigation, proceeding or hearing conducted by a governmental enforcement agency. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

Individuals who believe they have been subjected to retaliation or believe that another individual has been subjected to retaliation, should report this concern pursuant to the Complaint Procedures in this policy. Any report of retaliatory conduct will be investigated in a thorough and objective manner. If a report of retaliation prohibited by this policy is substantiated, appropriate disciplinary action, up to and including termination of employment, will be taken.

Complaint Procedures

Any individual who believes that they or another individual has been subjected to discrimination, sexual harassment, any other form of prohibited harassment or retaliation should, as soon as possible, report it to their manager or supervisor, another member of management, or Human Resources. Complaints can be made orally or in writing. Employees are not required to report any prohibited conduct to a supervisor or manager who may be hostile, who has engaged in such conduct, who is a close associate of the person who has engaged in such conduct, or with whom the employee is uncomfortable discussing such matters.

Any supervisor or manager who receives a complaint of harassment, sexual harassment, or retaliation or receives information about such conduct must immediately report it to Human Resources.

Employees are encouraged, but not required, to communicate to the offending person that their conduct is offensive and unwelcome. Individuals who observe any behavior directed at others that may violate this policy are encouraged to take reasonable action to defuse such behavior, if possible, such as intervening directly, alerting a supervisor or Human Resources to assist, or making a report under this policy. Physical confrontation, violence or assault is not an appropriate method of intervention. The intervening person must act in accordance with the Company's policies.

Investigation

After a report is received, or the Company otherwise has reason to believe discrimination, prohibited harassment, or retaliation is occurring, a timely, thorough, and objective investigation by the Company will be undertaken. The Company will maintain confidentiality surrounding the investigation to the extent possible, consistent with a thorough and objective investigation, and to

the extent permitted or required under applicable law, and related information will only be shared with others on a need-to-know basis.

Once the investigation is completed and a determination is made, the complaining party will be advised that the investigation has been completed and may be informed of the resolution. The Company complies with the law in conducting investigations and expects that employees will cooperate with an investigation, except when voluntary compliance with an investigation is being requested. Employees are expected to provide truthful information when participating in an investigation.

Discipline

If the Company determines that this policy has been violated, including if a supervisor or manager knowingly allows the policy to be violated without reporting it, prompt remedial action will be taken, up to and including termination of employment.

Good Faith Reporting

The initiation of a good faith complaint of discrimination, prohibited harassment, sexual harassment, or retaliation will not be grounds for disciplinary or other retaliatory action, even if the allegations cannot be substantiated or the employee was mistaken about aspects of the complaint. Any individual who makes a complaint that is demonstrated to be intentionally false may be subject to discipline, up to and including termination.

2.5 Pregnancy Accommodation

In accordance with the federal Pregnant Workers Fairness Act ("PWFA"), the Company will make reasonable accommodations for known physical or mental limitations related to the pregnancy, childbirth or related medical conditions of a qualified applicant or employee, unless the accommodation would impose an undue hardship on the operation of the Company's business.

Known physical or mental limitations are those that the applicant, employee, or their representative has communicated to the Company. Employees or applicants who wish to inform the Company of such a limitation and/or request a reasonable accommodation under this policy should contact Human Resources, preferably specifying in writing, what barriers or limitations prompted the request. Human Resources will evaluate information provided regarding any reported or apparent barriers or limitations and will then communicate with the applicant or employee and the employee's management team to engage in an interactive process to determine the nature of the limitation and what, if any, reasonable accommodation(s) may be appropriate. If, through this interactive process, the Company and the individual arrive at a reasonable accommodation that does not impose an undue hardship on the operation of the Company's business, the Company will make that accommodation.

Employees who wish to request time away from work to accommodate a limitation related to pregnancy, childbirth or a related medical condition should contact Human Resources. However, the Company will not require a qualified employee to take leave if another reasonable accommodation can be provided.

The Company prohibits discrimination on the basis of pregnancy, childbirth, or related medical conditions. The Company also will not interfere with any individual's rights under the PWFA or take any adverse action against a qualified applicant or employee because they request or use reasonable accommodations in accordance with this policy, report or oppose discrimination under the PWFA, or participate in a proceeding involving an alleged violation of the PWFA. Individuals who believe they have been subjected to, or believe that another individual has been subjected to, prohibited discrimination or retaliation should report it immediately to Human Resources.

Section III. General Employment Practices

3.1 Employment Classification and Status

Employees of Chancy Drugs are classified as either exempt or nonexempt under federal and state wage and hour laws and are further classified for administrative purposes.

The following designations are used throughout this Employee Handbook.

Employees will be informed whether their status is exempt or nonexempt and should consult their supervisor or HR with any questions or concerns regarding this status.

Exempt Employees

Exempt employees are employees whose job assignments meet specific tests established by the federal Fair Labor Standards Act (FLSA) and state law and who are exempt from minimum wage and overtime pay requirements. Exempt employees are compensated on a salary basis.

Nonexempt Employees

Nonexempt employees are employees whose job positions do not meet FLSA or applicable state exemption tests, and who are not exempt from minimum wage and overtime pay requirements. Nonexempt employees are eligible to receive overtime pay for hours worked in excess of 40 hours in a given week, or as otherwise required by applicable state law.

Full-Time Employees

Full-time employees are those who are normally scheduled to work and who do work a schedule of 32 hours per week. Full-time employees are generally eligible for the employee benefits described in this Employee Handbook and are provided with benefits required by applicable law.

Part-Time Employees

Part-time employees are those who are normally scheduled to work and who do work fewer than 32 hours per week. Part-time classification is based on the employee's average hours worked over a six-month period. Part-time employees may be assigned a work schedule in advance or may work on an as-needed basis. Part-time employees are eligible for some, but not all, employee benefits described in this Employee Handbook and are provided with benefits required by applicable law.

Temporary Employees

Temporary employees are those who are employed for short-term assignments. Temporary employees are generally hired to temporarily supplement the workforce or assist in the completion of a specific project. These temporary employment assignments are of limited duration. Temporary employees are not eligible for employee benefits, except as required by applicable law, and may be classified as exempt or nonexempt on the basis of job duties and compensation.

3.2 Introductory Period

The Company monitors and evaluates every new employee's performance for a 90-day period, known as the introductory period, to determine whether further employment in a specific position or with the Company is appropriate. During the introductory period, retention of an employee is solely at the discretion of the Company, although successful completion of the introductory period is not a guarantee of future employment.

Rehired Employees

Employees who have been rehired after a break in service of 30 days or more are considered new employees for all purposes, including the requirement to serve the introductory period.

3.3 Employment Eligibility and Work Authorization

The Company is committed to employing only individuals who are authorized to work in the United States and who comply with applicable immigration and employment law. As a condition of employment, every individual must provide satisfactory documentation of their identity and employment authorization to work in the United States within three business days after their first day of commencing employment. If the employee cannot verify their right to work in the United States within three business days after the first day of employment, the Company will be required to terminate their employment immediately.

Chancy Drugs participates in the Electronic Verification System (E-Verify) to electronically verify the work authorization of newly hired employees. E-Verify is an internet-based program that compares information from an employee's Form I-9 to data contained in the federal records of the Social Security Administration and the Department of Homeland Security to confirm employment eligibility. The Company does not use E-Verify to pre-screen job applicants.

The Company is committed to honoring all terms and conditions of E-Verify. Employees who do not contest a Tentative Nonconfirmation, or who receive a Final Nonconfirmation or No Show, are subject to immediate termination of employment.

The Company will not tolerate any form of discrimination or harassment prohibited by federal, state or local law, including discriminatory treatment based on an individual's national origin or

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citizenship status. Employees who believe they have been subject to discrimination or harassment, including during the Form I-9 and E-Verify process, should immediately report the matter as further discussed in the policies regarding discrimination and harassment set forth in this Handbook. The Company prohibits retaliation against employees for making such complaints.

3.4 Romantic and Family Relationships at Work

We will not take any adverse employment action against any employee for engaging in romantic relationships during nonworking hours away from company premises. However, we will consider such relationships when they affect an employee's job performance, occur during working time, occur on company premises, or pose a potential conflict of interest.

A familial or intimate relationship among employees can create an actual, potential, or perceived conflict of interest in the employment setting, especially if one relative, spouse, partner or member of such a relationship supervises another relative, spouse, partner, or member. To avoid this problem, we may refuse to hire or place a relative or other intimately associated individual in a position where the potential for favoritism or a conflict exists.

If two employees marry, become related, or enter an intimate relationship, they may not remain in a reporting relationship or in positions where one individual may affect the compensation or other terms or conditions of employment of the other individual. In other cases where a conflict or the potential for a conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment, at the discretion of the Company.

When two related employees are in an indirect reporting relationship and reassignment or termination of either employee would negatively impact the company, Human Resources shall oversee all employment matters relating to the employee who is the indirect report. Employment matters include, but are not limited to, discipline, promotions, pay increases, benefits, and any other matter that impacts the employment status of the employee.

For the purposes of this policy, a "relative" is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage (e.g., domestic partnership, court-ordered, or civil union status). However, it is important to note that the Company began as and continues to be a family-owned business. Therefore, for the purposes of this policy, exceptions may be made for relatives of Owner(s) to be employed and to be in a supervisory capacity over another relative. However, such employees shall be treated like all other employees, and employment decisions shall only be made on the basis of merit and not because of familial status. To ensure the fair and equal treatment of all employees, employment decisions for employees who may fall into this category shall be overseen by Human Resources.

3.5 Background Checks

The Company recognizes the importance of maintaining a safe, secure workplace with employees who are qualified, reliable, and nonviolent, and who do not present a risk of serious harm to their co-workers or others. To promote these concerns and interests, the Company reserves the right to investigate an individual's prior employment history, personal references, and educational background, as well as other relevant information. Consistent with legal or contractual requirements, the Company also reserves the right to obtain and review an applicant's or employee's criminal conviction record and related information, and to use such information when making employment decisions, but only to the extent permissible under applicable law.

A pending criminal matter may be considered in appropriate circumstances for business-related reasons, consistent with applicable law.

The Company is an equal opportunity employer and will comply with applicable federal, state, and local laws relating to the use of background checks for employment purposes. All background checks will be conducted in strict conformity with the federal Fair Credit Reporting Act (FCRA), applicable state fair credit reporting laws, and state and federal antidiscrimination and privacy laws.

3.6 Reference Checks

So that the Company can handle requests for job references in a consistent, fair, and lawful manner, all requests for job references on behalf of the Company should be forwarded to Human Resources. In response to job reference requests, the Company will only confirm current or former employees' dates of employment and job title. If an employee or former employee submits written authorization, the Company will also provide information regarding salary or wage history.

3.7 Personal Information and Personnel Files

Access to Personnel Files

Employees may inspect their own personnel file in the presence of a representative of Human Resources. Please contact HR to schedule a time. Employees may not be allowed to view investigation records or any letters of reference that have been prepared or collected by management. Employees will be provided access to personnel records in accordance with applicable state law.

Only authorized members of management and Human Resources have access to an employee's personnel file. However, the Company will cooperate with - and provide access to an employee's personnel file to - law enforcement officials or local, state, or federal agencies in accordance with applicable law.

Privacy—Social Security Numbers

This policy and procedure explains Chancy Drug’s general standards and practices for how Social Security numbers are gathered, stored, disclosed, and ultimately disposed of.

It is the Company’s policy that Social Security numbers obtained from employees, vendors, contractors, customers, or others are confidential information. Social Security numbers will be obtained, retained, used, and disposed of only for legitimate business reasons and in accordance with the law and this policy.

Procedure. Documents or other records containing employee Social Security numbers generally will be requested, obtained, or created only for legitimate business reasons consistent with this policy. For example, Social Security numbers may be requested from employees for tax-reporting purposes (i.e., Internal Revenue Service (IRS) Form W-4), for new hire reporting, or for purposes of enrollment in the company’s employee benefit plans.

Retention and access to Social Security numbers. All records containing Social Security numbers (whether partial or complete) will be maintained in secure, confidential files with limited access.

Unauthorized use/disclosure of Social Security numbers. Any employee who obtains, uses, or discloses Social Security numbers for unauthorized purposes or contrary to the requirements of this policy and procedure may be disciplined, up to and including termination of employment. The company will cooperate with government investigations of any person alleged to have obtained, used, or disclosed Social Security numbers for unlawful purposes.

Personal Data Changes

To better assist employees and/or their families in the event of personal emergencies, the Company needs to maintain up-to-date contact information. Maintaining accurate information in our files is also important for recordkeeping, payroll, and benefits-related purposes.

Changes in name, address, telephone number, marital status, number of dependents, next of kin, and/or beneficiaries should be given to Human Resources promptly.

3.8 Open-Door Policy

We recognize that employees may have suggestions for improving our work environment, as well as complaints about the work environment. Employees should feel free to contact their supervisor with any suggestions and/or complaints. If employees do not feel comfortable contacting their supervisor or are not satisfied with their supervisor's response, they should contact Human Resources.

While we provide employees with this opportunity to communicate their views, please understand that not every complaint can be resolved to the employee's satisfaction. Even so, we believe that

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open communication is essential to a successful work environment, and all employees should feel free to raise issues of concern without fear of reprisal.

Please note that some company policies, such as the Sexual and Other Unlawful Harassment policy, contain specific reporting procedures that should be followed by employees seeking to report violations of those policies. Employees should utilize this policy for reports and ideas that are not addressed through the Company's specific reporting procedures.

3.9 Performance Reviews

Performance evaluations are generally scheduled once a year or upon a change in position; however, supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis.

A positive performance review does not guarantee a salary increase or a promotion. These decisions are made at the discretion of the Company and depend on several factors in addition to an employee's individual performance.

The Company reserves the right to make any personnel changes (including termination) before or after performance evaluations.

Section IV. Workplace Conduct

4.1. Standards of Conduct

The company expects employees to follow basic, common-sense rules of conduct that will protect everyone's safety and security.

It is not possible to list all forms of behavior that are considered unacceptable in the work environment. To guide employees, we are providing some examples of possible forms of behavior that are considered unacceptable and may lead to disciplinary action, including termination of employment, in the discretion of the Company. The following list is not all-inclusive:

- Falsification of employment records, employment information, or other records or work-related information of the Company;
- Recording the work time of another employee, allowing any employee to record another employee's work time, or allowing falsification of any time report, whether yours or another employee's;
- Theft or the deliberate or careless damage of any company property or the property of any employee, client, contractor or visitor;
- Use of company materials, supplies, tools or products for personal reasons without advance permission from management;
- Violation of the Company's Business Equipment and Information Systems policy, including sending personal emails during working time;
- Provoking a physical fight or engaging in physical fighting in the work environment, during working hours, at a work event or on premises owned or occupied by the Company;
- Carrying firearms, weapons or dangerous substances at any time, on premises owned or occupied by the Company, unless otherwise permitted by applicable law;
- Using violent, threatening or unlawfully harassing language at any time in the work environment, during working hours or while on premises owned or occupied by the Company;
- Making knowingly false statements concerning the Company or any employee, client, contractor or visitor;
- Failing to obtain permission from your manager to leave work or be offline during scheduled working time (not including legally required meal and rest breaks) unless the reason is legally protected;
- Failing to observe work schedule requirements, including meal and rest breaks;
- Working overtime without authorization or refusing to work assigned hours;
- Violating any policy, rule or procedure of the Company;
- Failure to demonstrate immediate and consistent improvement in poor work performance;
- Engaging in discussions or acts of violence against any employee, client, contractor or visitor;

- Conduct that is physically injurious or threatening towards any employee, client, contractor or visitor;
- Negligence in the performance of duties;
- Refusal to perform assigned duties as requested by a supervisor or other member of the management team unless unsafe or contrary to Company policies or procedures;
- Use, consumption, distribution, or possession of intoxicating beverages or illegal drugs on the Company premises, during working hours, at a work event or otherwise in violation of the Company's Drugfree Workplace Policy; and
- Discrimination or harassment in violation of the Company's Equal Employment Opportunity (EEO), Workplace Violence, Bullying, or Sexual and Other Prohibited Harassment Policies against any employee, client, contractor, visitor or other individual involved in the operations of the Company.

Please note this list is not all-inclusive and the Company may take disciplinary action to address other types of conduct, performance issues, or rule violation in its sole discretion. The Company reserves the right to determine which type of disciplinary action to issue an employee. This statement of prohibited conduct does not alter or limit the policy of at-will employment, where applicable. Either the employee or the Company may terminate the employment relationship at any time for any reason, with or without cause, and with or without notice.

This policy in no way prohibits employee affiliations or activities that are protected under applicable local, state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act (NLRA), which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

4.2. Good-Faith Reporting and Anti-Retaliation Policy

We Encourage a Speak Up Culture. Choosing to speak up about work-related concerns helps build a healthy, ethical, and compliant company and is part of our culture. To promote that culture, the Company encourages employees to speak up and raise questions and concerns promptly about any situation that may violate our policies or procedures; the laws, rules, and regulations that govern our business operations; and best practices in accounting, auditing, and financial reporting matters (collectively these are referred to in this policy as our "Code").

For purposes of this policy, and because our Code captures standards of ethics and compliance at a broad level, references to our "Code" should also be read to encompass all our obligations to perform our jobs in a manner that is consistent with the Company's policies and procedures, as well as applicable laws. Our people are our most valuable asset. It benefits all of us if we raise our concerns so the Company may consider them carefully and address them properly.

The Company is deeply committed to promoting a culture of ethical business conduct and compliance with:

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- Our policies and procedures;
- The laws, rules, and regulations that govern our business operations; and
- Best practices in accounting, auditing, and financial reporting matters.

We expect all our employees, officers, directors, and agents to follow this commitment in all aspects of their work.

Raise Good-Faith Questions and Concerns About Conduct That May Violate Our Code. Consistent with our commitment to ethics, compliance, and the law, we welcome your good-faith questions and concerns about any conduct you believe may violate our Code. We promote an environment that fosters good-faith communications when performing job duties and responsibilities for the Company. This includes conduct by employees, managers, supervisors, and third parties involved in the Company's business operations, including, for example, contractors, suppliers, consultants, or clients.

The Company Does Not Tolerate Retaliation. Coming forward with questions or concerns may sometimes feel like a difficult decision, but we are committed to fostering an environment that does not deter individuals from speaking up when they observe conduct that may violate our Code. For that reason, the Company will not tolerate retaliation of any kind because an employee in good faith raises a question or concern about a violation or suspected violation of our Code, or because the employee participates in or cooperates with an investigation of such concerns.

Retaliation is any conduct that would reasonably dissuade an employee from raising, reporting, or communicating about good-faith concerns through our internal reporting channels or with any governmental authority (e.g., the US Securities and Exchange Commission (SEC), the US Equal Employment Opportunity Commission (EEOC), or the US Department of Labor (DOL)), or from participating in or cooperating with an investigation or legal proceeding raising such concerns.

Retaliation may occur through conduct or written communication and may take many forms, including actual or implied threats, verbal or nonverbal behaviors, changes to the terms or conditions of employment, coercion, bullying, intimidation, or deliberate exclusionary behaviors.

It is the Company's policy to adhere to all applicable laws protecting our employees against unlawful retaliation or discrimination as a result of their raising good-faith questions or concerns. If you are ever aware of an instance or threat of retaliation, please immediately report it.

Please note that nothing in this policy prevents the Company from taking appropriate disciplinary or other legitimate employment action consistent with its usual disciplinary practices and the law. In addition, this policy prohibits and does not protect employees who knowingly and intentionally raise false concerns or reports.

How to Raise Questions and Concerns. Employees can submit their good-faith questions or concerns about conduct they believe may violate our Code to:

- Their supervisor or manager;

- Pharmacist-in-Compliance (PIC)
- Human Resources;

When an employee raises a concern, the Company will maintain confidentiality to the fullest extent possible, consistent with applicable legal requirements and the need to conduct an adequate investigation or review.

When raising concerns, we ask that employees provide as much detailed information as possible, including the background and history of the concern, names, dates, places, and the reasons why the situation is cause for concern. This is especially important for concerns raised anonymously, so that the Company may conduct an appropriate review and, if necessary, begin an investigation.

What We Will Do. The Company is committed to reviewing all reported concerns; conducting proper, fair, and thorough investigations tailored to the circumstances; and taking appropriate remedial and concluding steps as warranted. All action taken by the Company in response to a concern will necessarily depend on the nature and severity of the concern. This may include initial inquiries and fact-gathering to decide whether an investigation is appropriate and, if so, the form and scope of the investigation. Note that an investigation into concerns raised is not an indication that they have either been confirmed or rejected. The Company complies with the law in conducting investigations. The Company also expects employees to provide truthful information when participating in an investigation and, during the investigation, to keep matters related to the investigation confidential.

Remember, all good-faith concerns and reports raised under this policy will be taken seriously.

Adherence to This Policy. Employees who believe that they have been subjected to any conduct that violates this policy may register a complaint using the procedures outlined above. Any employee who unlawfully discriminates or retaliates against another employee as a result of their protected actions as described in this policy may be subject to corrective action, up to and including termination.

Please note as well that the Company does not prohibit anyone from electing to report concerns to, make lawful disclosures to, provide documents or other information to, or communicate with the EEOC, the National Labor Relations Board (NLRB or Board), the SEC or any other federal, state or local agency about conduct believed to violate laws or regulations. The Company also does not prohibit employees from participating in investigations or proceedings conducted by one of these authorities.

4.3. Confidential Company Information

The Company's confidential and proprietary information is vital to its current operations and future success. Each employee should use all reasonable care to protect or otherwise prevent the unauthorized disclosure of such information. In no event should employees disclose or reveal confidential information within or outside the Company without proper authorization or purpose.

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"Confidential information" refers to a piece of information, or a compilation of information, in any form (on paper, in an electronic file or otherwise), related to the Company's business that the Company has not made public or authorized to be made public, and that is not generally known to the public through proper means.

Confidential or proprietary information includes, but is not limited to, non-public information regarding the Company's business methods and plans, databases, systems, technology, intellectual property, know-how, marketing plans, business development, products, services, research and development, inventions, financial statements, financial projections, financing methods, pricing strategies, customer sources, employee health/medical records, system designs, customer lists, and methods of competing.

Additionally, employees who have the following information by virtue of the performance of their job responsibilities should not disclose such information for any reason, except as required to complete job duties, without the permission of the employee at issue: Social Security Numbers, driver's license or resident identification numbers, financial accounts, credit or debit card numbers, and security and access codes or passwords that would permit access to medical, financial or other legally protected information.

Confidential information does not include information lawfully acquired by non-management employees about wages, hours, benefits or other terms and conditions of employment, if used by them for purposes protected by Section 7 of the National Labor Relations Act (NLRA), such as communicating with others; self-organizing; joining, forming or assisting labor organizations; bargaining collectively with representatives of the employees' choosing; engaging in other concerted activity for collective bargaining or other mutual aid or protection; refraining from engaging in such activities; or any other conduct protected by Section 7 of the NLRA.

Confidential information also does not include conduct that was, or that an employee reasonably believes to be, illegal; conduct that is recognized as against a clear mandate of public policy; or the existence of a non-confidential settlement involving any such conduct.

Nothing in this Employee Handbook prohibits an employee from communicating with any governmental authority or making a report in good faith and with a reasonable belief of any violations of law or regulation to a governmental authority; disclosing confidential information that the employee acquired through lawful means in the course of their employment to a governmental authority in connection with any communication or report; or from filing, testifying or participating in a legal proceeding relating to any violations, including making other disclosures protected or required by any whistleblower law or regulation to the Securities and Exchange Commission (SEC), the Department of Labor or any other appropriate government authority.

Further, employees are hereby notified that, under the 2016 Defend Trade Secrets Act (DTSA):

- No individual will be held criminally or civilly liable under federal or state trade secret law for the disclosure of a trade secret (as defined in the Economic Espionage Act) that:

- Is made in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, and made solely for the purpose of reporting or investigating a suspected violation of law; or
- Is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal so that it is not made public; and
- An individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by order in that proceeding.

4.4. Personal Appearance

The image Chancy Drugs projects to the public is reflected in the appearance of our employees. Simply stated, employees should look neat, clean, and well-groomed and should be dressed appropriately to perform their specific duties. Employees are expected to use good judgment in their appearance and grooming, keeping in mind the nature of the work, their own safety and the safety of co-workers, and their need to interact with the public. Below are a few guidelines for professional appearance:

- Clothing should be well-fitting and not constitute a safety hazard.
- All employees should practice common sense rules of cleanliness and comfort.
- When jeans are appropriate for the position, the jeans must be in good condition.
- Tank tops, t-shirts, jogging suits, tennis shoes, flip-flops, crocs without backs, slippers, open-toe sandals, garments that are unnecessarily revealing, sweatpants, and other similar apparel are generally not permitted.
- If an employee shaves, then the employee's facial hair should be clean-shaven or trimmed. If an employee does not shave, facial hair should be clean.
- Jewelry may be restricted for safety reasons, based on the position.
- Body art, including tattoos and piercings, is permitted as long as it does not present a safety hazard, does not interfere with work performance, is not offensive to others, and does not violate the company's anti-harassment policy. Nasal piercings must have a clear or skin-toned colored stud while working. Other facial or tongue piercings are not permitted.
- Hair should be worn in a style that is kept out of the face and eyes and does not present a safety hazard (e.g., long hair that can get caught in equipment or could touch working surfaces, equipment, vials, medications, etc., should be worn in a manner that reduces this risk). Hair colors, such as green, purple, blue, pink, etc., are not permitted.

The following positions have specific dress code requirements, as follows:

In-store employees:	Scrubs (red); Closed-toe shoes; May wear a jacket (red, gray, or black)
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Pharmacists:	White lab coat must be worn at all times; Scrubs (red) or business casual
Delivery Drivers:	Business casual pants; Collared shirt or business casual blouse
Office Staff:	Business casual

On Fridays, Saturdays, and any other days designated by management, employees may wear a company-branded T-shirt with jeans or red scrubs.

We encourage employees to seek the advice of their supervisor or Human Resources if they have questions regarding appropriate dress or appearance at work.

Employees who report to work in a manner that violates this policy may be instructed by their supervisor to return home to change. The time that nonexempt employees are absent for this purpose will be unpaid unless state law requires otherwise.

Nothing in this policy is intended to prevent employees from wearing a hair or facial hair style or jewelry that is consistent with their cultural, ethnic, or racial heritage or identity. This policy will be interpreted to comply with applicable local, state, or federal law.

The Company will reasonably accommodate an employee's religious beliefs, medical condition, or disability by making exceptions to this policy. Employees who need such an accommodation should contact Human Resources.

ID Badges

Employees must wear the issued ID Badge at all times while on duty. The first ID Badge will be provided to employees at no cost. Employees will be responsible for the cost of replacement IDs.

4.5. Attendance and Punctuality

Employees are expected to be regular in attendance and to be punctual. Any tardiness or absence causes problems for fellow employees and supervisors. If employees are absent, their workload must be performed by others, just as they must assume the workload of others who are absent. To limit problems caused by employee absences or tardiness, we have adopted the following policy that applies to absences not previously approved by the Company.

Employees are expected to report to work as scheduled, be on time and be prepared to start work. Employees are also expected to remain at work for their entire work schedule, except for meal or break periods, or when required to leave on authorized company business or otherwise authorized to leave. Non-approved late arrivals, early departures, or other absences from scheduled hours are disruptive and must be avoided.

Absence

“Absence” is defined as the failure of an employee to report for work when scheduled. The two types of absences are defined below:

- *Excused absence* occurs when all the following conditions are met:
 - The employee provides sufficient notice of the absence, which is at least one day in advance of the absence.
 - The absence request is approved in advance by the employee’s supervisor.
 - The employee has sufficient accrued PTO to cover the absence, for full-time employees.

- *Unexcused absence* occurs when any of the above conditions are not met. If it is necessary for an employee to be absent or late for work on any particular day, the employee must notify the supervisor at least one (1) hour or as soon as practical, before the time the employee is scheduled to begin working for that day. The Company may inquire about the general reason for an absence or tardiness. Unless extenuating circumstances exist, employees must notify the supervisor at least one (1) hour or as soon as practical, before the time the employee is scheduled to begin working on each and every day they are scheduled to work but will not report to work.

Tardiness and Early Departures

Employees are expected to report to work and return from scheduled breaks on time. If employees cannot report to work as scheduled, they must notify their supervisor at least one (1) hour or as soon as practical, before the time the employee is scheduled to begin working for that day. *This notification does not excuse the tardiness but simply notifies the supervisor that a schedule change may be necessary.*

Employees who must leave work before the end of their scheduled shift must notify a supervisor immediately.

Disciplinary Action

Excessive absenteeism or tardiness may result in disciplinary action up to and including termination of employment unless the absence or tardiness is legally protected or otherwise excused in accordance with this policy. The following types of time off will not be considered grounds for disciplinary action under this policy:

- Excused time off, including vacation and other forms of paid time off;
- Approved leaves of absence, including jury duty leave, military leave, leave protected under the Family and Medical Leave Act or similar state laws, and time off or leave provided under the Americans with Disabilities Act or similar state laws; and/or
- Time off due to a work-related injury that is covered by workers' compensation.

Each situation of absenteeism or tardiness will be evaluated on a case-by-case basis. An employee who believes that their absence or lateness to work is legally protected should notify their manager of this fact at the time of the absence or tardiness. Employees will not be required to reveal the nature of any underlying medical condition. If an employee believes they have been mistakenly subject to disciplinary action for an absence or for tardiness that the employee believes is legally protected, the employee should promptly discuss the matter with their manager or Human Resources.

For purposes of this policy, and to ensure the fair and equitable treatment of employees, excessive absenteeism or tardiness shall be considered using an occurrence system, as follows:

- An unexcused absence counts as one-half (0.5) occurrence for the purpose of discipline under this policy.
- Unscheduled tardiness and early departures are each one-quarter (0.25) an occurrence for the purpose of discipline under this policy.
- A no show/no call or calling in after the one-hour requirement will count as two occurrences. *Reference below for when a no call/no show is considered job abandonment.*

Each situation of absenteeism or tardiness will be evaluated on a case-by-case basis.

An occurrence will be assigned for every instance of unscheduled or unexcused absences or tardiness. An “instance” may be one day or multiple days depending on the circumstances. For example, if an employee calls out of work and indicates they will be out for two days, this is one occurrence. However, if an employee calls out of work for one day, and the next day calls out again, this is two separate occurrences.

Employees who have initially provided appropriate notice, but then must change the date due to circumstances beyond their control, may not receive an occurrence for the time relating to the event. Employees may be required to provide supporting documentation.

Employees who are out sick and do their due diligence to seek treatment or diagnosis and provide a doctor’s note may have their time off excused.

Employees who are sent home by management due to an illness will not receive an occurrence for the time relating to the event and no substantiating documentation will be required. *This does not apply to employees who request to leave work.*

Employees with two (2) or more consecutive days of absences *because of illness or injury* must provide proof of physician’s care. A fitness for duty release prior to returning to work may be required when the time off was due to medical care for an illness or injury that may restrict the employee’s ability to perform the essential duties of the position. An employee who is admitted to the hospital or who undergoes surgery must present a fitness for duty release prior to returning to work. Contact Human Resources for assistance.

Occurrences shall be tracked over a rolling 12-month period, and disciplinary action shall be applied as follows:

For New Hires within the probationary period:

- Upon issuance of the first occurrence, the employee will receive a documented verbal warning.
- Upon issuance of the second occurrence, the employee will receive a final written warning.
- Upon issuance of the third occurrence, the employee will be terminated.

For all employees who have completed the probationary period:

- Upon issuance of the third occurrence, the employee will receive a verbal warning.
- Upon issuance of the fourth occurrence, the employee will receive a documented verbal warning.
- Upon issuance of the fifth occurrence, the employee will receive a written warning.
- Upon issuance of the sixth occurrence the employee will be suspended without pay for three (3) days with a final written warning.
- Upon issuance of the seventh occurrence, the employee will be terminated.

Job Abandonment

Absent extraordinary circumstances, if employees fail to report to work without any notification to their supervisor and their absence continues for a period of three (3) consecutively scheduled workdays, the Company will consider the employee to have abandoned and voluntarily terminated their employment.

4.6. Personal Electronic Devices

Although the Company permits employees to bring personal electronic devices, including cell phones and smartphones, into the workplace, employees are expected to remember that working time is for work.

Therefore, employees should generally only use personal electronic devices (such as engaging in personal phone calls) during nonworking time, including meal and rest breaks. Outside of this time, use of personal devices should be kept to a minimum and for emergencies only.

Personal Calls

While employees are at work, they are expected to perform their job duties and responsibilities. Personal calls should be made primarily outside of working time.

The Company may monitor the frequency and duration of an employee's usage of its telephones. Abuse of the Company's telephones may result in discipline, up to and including termination of employment.

4.7. Contact With the Media

To ensure that the Company communicates with the media in a consistent, timely and professional manner about matters related to the Company, employees should notify Human Resources or designated marketing personnel whenever they are contacted by the media and asked to speak on behalf of the Company so that the Company knows that a media inquiry has been made.

Do not respond to media inquiries on the Company's behalf without authorization. This rule does not prevent employees from speaking with the media, but they should not attempt to speak on behalf of the Company unless they have specifically been authorized to do so by an officer of the Company.

4.8. Conflicts of Interest

While we acknowledge that employees may have pursuits separate from their work at the Company, such endeavors cannot compete with or conflict with an employee's job duties and responsibilities at the Company. To further explain an employee's obligations to avoid conflicts of interest, a conflict of interest may arise, for instance, when an employee has a financial or other interest that could interfere with the employee's job duties with the Company or when an employee uses their position with the Company for personal gain. Each employee of the Company is required to ensure that they and their family members do not improperly benefit personally from the employee's position as an employee for the Company.

Employees must conduct themselves in such a way as to avoid actual or potential conflicts of interest, as set out in this policy. The following are examples of prohibited conflicts of interest in any aspect of an employee's job:

- Acting as a director, officer, consultant, agent or employee of a supplier, customer, competitor or other business entity that engages in business with the Company;
 - Owning a material interest in, being a creditor of or having other financial interest in a supplier, customer, competitor or other business entity that engages in business with the Company;
 - *Receiving from or giving to any supplier, customer or competitor gifts, gratuities, special allowances, discounts or other advantages not generally available to employees of the Company;
 - Having any significant direct or indirect personal interest in a business transaction involving the Company;
 - Conducting outside activities that materially detract from or interfere with the full and timely performance of an employee's services for the Company; or
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- Influencing commercial transactions involving purchases, contracts or leases in a way that would have a negative impact on the Company or its business.

**At times, suppliers may offer promotional items, gifts, or monetary gifts to promote their products and/or services. When this occurs, employees must alert their manager. The manager will determine whether the item may be accepted or not.*

If an employee finds that they have, or are considering the assumption of, a financial interest, an outside employment relationship or other activity that might involve a conflict of interest, as discussed in this policy, or if the employee is in doubt as to whether any conduct or activity may constitute a conflict of interest, the employee must promptly discuss the matter with Human Resources and refrain from acting on the Company's behalf in any manner that might reasonably be considered to be a conflict of interest or affected by any adverse interest. If the matter is deemed to be a conflict of interest, the affected employee must withdraw from the matter.

Failure to disclose a conflict or potential conflict of interest is a violation of this policy and may lead to disciplinary action, up to and including termination of employment.

This policy in no way prohibits employee affiliations, activities or communications that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act, which includes the right of employees to organize collectively and to speak with others about their terms and conditions of employment.

4.9. Outside Employment

The Company does not prohibit employees from holding other jobs; however, the following types of outside employment are prohibited:

- Employment that conflicts with the employee's work schedule, job duties and responsibilities to the Company or that creates an actual conflict of interest as set out in the Conflicts of Interest policy;
- Employment that impairs or has a detrimental effect on the employee's work performance with the Company;
- Employment that requires employees to conduct work or related activities during work time for the Company or using any of the Company's tools, materials, or equipment; and
- Employment that directly or indirectly competes with the business or the interests of the Company.

For the purposes of this policy, self-employment is considered outside employment.

The Company will not assume any responsibility for employees' outside employment. Specifically, the Company will not provide workers' compensation coverage or any other benefit for injuries

occurring from, or arising out of, such outside employment.

4.10. Social Media

The Company respects the legal rights of its employees and understands that employees' time outside of work is their own. However, employees should be mindful that their social media activity, even if done off premises and while off-duty, could affect the Company's legitimate business interests. For example, the information posted could be the Company's confidential business information. In addition, some readers may mistakenly view an employee as a spokesperson for the Company. Consequently, social media activity is a legitimate and proper focus of Company policy.

For purposes of this policy, "social media activity" includes all types of posts and other communications on the internet, including, but not limited to, posts on social networking sites, such as Facebook, LinkedIn, Instagram, Pinterest and X (formerly known as Twitter); blogs and other online journals and diaries; bulletin boards, chat rooms and forums; microblogging, such as X, Instagram, Slack or Trello; and postings of video or audio on media-sharing sites, such as YouTube, Instagram, TikTok, Snapchat or Flickr.

Social media activity also includes permitting, or failing to remove, posts by others whenever the employee can control the content of posts, such as on a personal page or blog.

Scope of This Policy

This Social Media policy applies:

- To all Company employees;
- To social media activity for business or personal purposes;
- To social media activity while on or off duty, when on or off the Company's premises, and while using the Company's or personal electronic resources;
- To social media activity that relates in any way to, or may reflect on or impact, the Company's business, employees, customers, patients, business partners, vendors, suppliers, or competitors; and
- Regardless of whether an employee identifies their affiliation with the Company in their social media activity or in their account profile or posts anonymously or using a pseudonym.

Limit personal use. Employees must limit such personal use to time outside of scheduled work time. While the employee is on scheduled work time, the employee should be productive and engaged fully in work. As a partially remote workforce, we recognize that some employees may use the company's equipment for personal use at times, including to engage in personal social media. The above standards still apply.

Know and follow the rules. All pertinent company policies, such as the anti-harassment and antidiscrimination provisions, apply to personal social media use.

Express only your personal opinions. Employees shall not represent in any social media that they are speaking on the company's behalf unless they are specifically authorized to do so.

Identify yourself in endorsements. If employees endorse the company's services in social media, they must disclose their affiliation with the company to ensure transparency and uphold the integrity of the company.

Use privacy settings. It is recommended to use privacy settings to restrict access by others to overly personal content posted in social media.

Be respectful. Employees should not post content that (a) is threatening, abusive, knowingly false, or similarly offensive; (b) disparages the company's products, services, patients, or customers; or (c) depicts the employee engaging in conduct that violates company policy or that is unlawful.

Respect intellectual property rights. Employees shall not violate the intellectual property rights of the company or others.

Use of company logo. Employees are prohibited from using the company logo in a manner that would create commercial confusion, including using the company logo on any personal social media posts. Exceptions may be made if the company creates a campaign and requests that employees post an ad created by the company on their personal social media pages. Such allowances shall only be authorized by Human Resources or designated marketing personnel.

Protect confidential business information and sensitive personal information. Employees are prohibited from disclosing the company's and the company's patients' and employees' confidential information. Refer to the Confidentiality Policy. Furthermore, employees should be cautious about posting their own personal information that could be used to commit identity theft.

Restrictions on use of corporate email address. Unless designated to maintain the company's social media accounts, employees are prohibited from using their work email address to register for personal social media accounts.

The company will not enforce the social media policy in a manner that would interfere with employees' rights under the National Labor Relations Act to discuss the terms and conditions of employment.

Section V. Time Off and Leaves of Absence

The Company recognizes that employees benefit from time away from work for a variety of reasons - all of which contribute towards a positive work-life balance for our employees. Therefore, Chancy Drugs provides time off - both paid and unpaid - to eligible employees for the situations listed throughout this Section.

5.1. Day of Rest

The Company will reasonably accommodate employees whose habitual day of worship falls on Saturday or Sunday if the employee is scheduled to work on that day.

5.2. Holidays

The Company offers regular, full-time employees paid time off to observe specific holidays each calendar year. Typically, the Company observes the following paid holidays: New Year's Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day. **If an observed** holiday falls on an employee's regularly scheduled day off, the employee will be credited with eight (8) hours of PTO in place of holiday pay.

The Company, may at its discretion, decide to close for a full or partial day on any other federal holiday not listed above. In that event, the time off will be paid for employees scheduled to work on that day *and* who worked their scheduled hours on that day (*for a partial day closure*).

The day the Company decides to close in observance of the holiday is considered the holiday for purposes of "holiday pay."

Unscheduled time off either the day before or the day after an observed holiday, will result in forfeiture of the holiday pay.

Employees who are on a continuous leave of absence are not eligible to receive holiday pay.

Temporary workers, part-time employees, and new hires who have not completed 90 days of employment are not eligible for holiday pay.

5.3. Paid Time Off (PTO) *Effective 01/01/2025*

The Company provides paid time off (PTO) benefits to its regular full-time employees, upon successful completion of 90 days of employment.

Eligible employees accrue PTO as follows:

Chancy Drugs at its option may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

Nonexempt Employees		
Years of Service	Accrual Per Pay Period	Annual Maximum Accrual
90 days – 12 months	2.00 hours	40 hours
2 – 4 years	3.08 hours	80 hours
5 – 6 years	4.00 hours	104 hours
7+ years	4.616 hours	120 hours

**PTO accruals are on the employee's anniversary date of hire and are based on the year the employee is starting. For example, at the start of the second year, the employee's PTO increases, at the start of the fifth year, so forth, and so on. PTO accrual changes shall be effective on the pay date following the employee's anniversary date.*

PTO accrues as service is performed. Once the maximum accrual amount has been reached, no additional PTO will accrue.

Exempt Employees	
Years of Service	Annual Lump Sum
0 – 2 years	80 hours
3 – 5 years	120 hours
6+ years	160 hours

Exempt employees receive a lump sum of PTO, as shown above, at the beginning of their anniversary year.

At year-end, a maximum of 40 hours of unused PTO will carry over to the subsequent year.

Use of PTO

To use PTO, the employee must submit a request, using the established payroll system, at least 30 calendar days in advance of the requested leave for leave of five (5) consecutive days or more, at least 14 calendar days in advance of the requested leave for leave of three (3) to four (4) consecutive days, and at least four (4) workdays in advance of the requested leave that is less than three (3) consecutive days.

PTO will be scheduled so as to provide adequate coverage of jobs and staff requirements. The Company will make the final determination in this regard and will approve or deny the request at the sole discretion of the Company. In general, requests are considered on a first come, first served basis. If requests are simultaneously submitted by two or more employees, the employee with the longest tenure will receive preferential consideration. The company reserves the right to consider continuity of operations when approving or denying requested time off for all employees, including how many employees may be off at any one time.

Employees may use no more than a maximum of 80 hours of PTO at any one time, with the exception of medically necessary leave or other special circumstances, as approved by the Company.

Paid time off is not counted for the purpose of calculating an employee's overtime hours of work or overtime premiums. Moreover, PTO does not accrue during unpaid leaves of absence or other periods of inactive service, unless otherwise protected under federal or state law.

The Company reserves the right to deny any request for time off and reserves the right to require employees to use accrued time, including during periods of furloughs, at its discretion and in accordance with applicable law.

Blackout Periods

To ensure the continuity of operations and service to our patients, the week of company-designated holidays will be designated as a blackout period. During this period, authorized time off shall be reduced. Time off shall be approved for up to a maximum of 10% of the total employees at a particular location (e.g., if a location has 20 employees, only two (2) employees shall be approved to take time off).

Barring medically necessary leave or other special circumstances, as determined by the Company, employees who take unapproved time off during these periods will receive two occurrences for each day in addition to the forfeiture of holiday pay.

For the sake of equity and to prevent employees from “reserving” days, time off during these periods shall not be submitted, nor will they be considered, earlier than 30 calendar days prior to the blackout period. Additionally, when an employee is approved for a blackout period, that same employee will not be approved to take the same time off the following year unless no other employees request the time.

Termination of Employment

Upon separation of employment, unused, accrued time shall not be paid out.

5.4. Personal Leave of Absence

Requests for a personal leave of absence will be considered and evaluated on an individual basis. This is unpaid leave, and may be granted for up to 30 consecutive calendar days for regular, full-time employees who have completed at least 12 months of service. Extensions beyond the original request may be considered, but shall not go beyond a combined total of 90 consecutive calendar days per calendar year. Personal Leaves of Absence are for a continuous period of time that is equal to or exceeds 30 days, and shall only be considered after the employee has exhausted all available PTO.

Chancy Drugs at its option may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

Approval or denial of such requests will be entirely at the Company's discretion. In determining the feasibility of granting such requests, factors including but not limited to the following will be considered: the purpose of the requested leave, availability of coverage for job responsibilities during the requested leave, previous absences, length of employment, disciplinary records, prior work records and performance. Such requests must be submitted to Human Resources.

An employee's benefits will typically cease during a personal leave of absence lasting 30 or more days. Consult with Human Resources.

The Company will attempt to return an employee to their former position or a comparable position upon return from personal leave, at our discretion. Given changing business needs, however, no guarantee of reinstatement can be made.

Employees on leave are asked to confirm their return date at least two weeks before they return to work. Any requests for additional leave must be made as soon as possible. Employees on leave who do not return as scheduled, and fail to request an extension or show good reason why an extension should be granted, will be considered to have voluntarily terminated their employment as of the day the original leave expired.

5.5. Military Leave

Federal law provides employees with the right to take leave to serve in the military. At the federal level, military leave rights are governed by the Uniformed Services Employment and Reemployment Rights Act, commonly referred to as USERRA. This policy discusses military leave under USERRA.

If an employee plans to request leave based on military service, they should contact Human Resources for information on any additional rights or requirements, if applicable, under state law.

Employee Eligibility

Employees will be granted a leave of absence for service in the uniformed services according to USERRA and applicable state law. Leave is available to all employees who are eligible to take it and seek reinstatement under USERRA or applicable state law for the purpose of performing service in the uniformed services.

Definitions

For purposes of this policy, "uniformed services" means:

- The Armed Forces;
- The Army National Guard and the Air National Guard when engaged in active duty for training, inactive duty training, or full-time National Guard duty;
- The commissioned corps of the Public Health Service;

- The commissioned officer corps of the National Oceanic and Atmospheric Administration;
- System members of the National Urban Search and Rescue Response System during a period of appointment into Federal service under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act);
- Intermittent personnel who are appointed into Federal Emergency Management Agency (FEMA) service under the Stafford Act or to train for such service; and
- Any other category of persons designated by the President in time of war or national emergency.

For purposes of this policy, "service in the uniformed services" means the following duties on a voluntary or involuntary basis:

- Active duty;
- Active duty for training;
- Initial active duty for training;
- Inactive duty training;
- Full-time National Guard duty;
- State active duty:
 - For a period of 14 days or more;
 - In response to a national emergency declared by the President under the National Emergencies Act; or
 - In response to a major disaster declared by the President under the Stafford Act.
- Time off for an examination to determine the fitness of the person to perform any such duty;
- Time off for a System member of the National Urban Search and Rescue Response System due to an appointment into Federal service under the Stafford Act;
- Time off due to an appointment into service in FEMA as intermittent personnel under the Stafford Act;
- Funeral honors duty; and
- Time off to attend a military service academy.

Notice of Leave

An employee must notify their supervisor of the need to take a leave as far in advance as feasible. The Company requests notice at least 30 days prior to the beginning of the leave, if possible. Verbal notice is sufficient, but the Company may request documentation from the employee. If giving notice is impossible or unreasonable for reasons not attributable to the employee, notice should be provided as soon as possible. Notice may not be required when precluded by military necessity, which is defined by the Department of Defense, the Administrator of FEMA for FEMA service, or the Secretary of Health and Human Services for intermittent disaster-response appointees of the National Disaster Medical System.

Employees are responsible for updating changes in contact information by sending such information to Human Resources.

Length of Leave

An employee is entitled to leave for up to five years of service in the uniformed services, subject to certain exceptions that may require the Company to provide leave, but not count the service period towards the five-year limit. Employees who have questions about whether their service period counts toward the five-year limit, please contact Human Resources.

Use of Accrued, Unused Paid Time Off During Leave

Any employee on military leave may use accrued, but unused, paid time off to compensate the employee during the leave. The employee is not required to use such paid time off during a military leave but may choose to do so.

Reinstatement

Employees are eligible under USERRA to seek reinstatement if they meet the following requirements (more fully discussed below):

- The employee provides proper notice of their service;
- The cumulative total of the employee's service periods does not exceed five years, except as otherwise permitted by USERRA;
- The employee seeks reinstatement within the time frames outlined by USERRA; and
- The employee is not discharged from service in the uniformed services in a manner that disqualifies the employee from USERRA's protections (e.g., dishonorable discharge).

Employee Responsibility to Seek Reinstatement

The following rules apply to an employee who seeks reinstatement after completing a period of service in the uniformed services.

For uniformed service that is 30 days or less or fitness for duty examinations: The employee must return to work at the beginning of the first regularly scheduled work period that starts on the first full day after release from service, following reasonable travel time home, plus an eight-hour rest period.

For uniformed service that is 31-180 days: An employee must seek reinstatement within 14 days of release from uniformed service.

For uniformed service that is 181 days or more: An employee must seek reinstatement within 90 days of release from uniformed service.

In case of injury or illness: If an employee is hospitalized, convalescing, or recovering from an injury or illness incurred or aggravated during uniformed service, the periods for seeking reinstatement may be extended for a period of up to two years. Such extension generally cannot exceed two years from the time of the illness or injury in question, except if circumstances outside

the employee's control make it impossible or unreasonable for the employee to report within the two-year period.

Reinstatement Protections

An employee returning from leave who properly seeks reinstatement according to the requirements of USERRA and applicable state law will be entitled to reinstatement as follows:

If uniformed service is 90 days or less: The employee will be returned to the position they would have held if there had been continuous employment if the employee is qualified to perform the required duties of that position ("escalator position"). If the employee is not qualified to perform the required duties of the escalator position, the Company will make reasonable efforts to qualify the employee for that position. If the employee is not qualified for the escalator position after these reasonable qualification efforts are made, the employee will be reinstated to the position the employee held immediately prior to starting the leave.

If uniformed service is 91 days or more: The employee will be returned to the escalator position. If the employee is not qualified to perform the required duties of the escalator position, the Company will make reasonable efforts to qualify the employee for that position. If the employee is not qualified for the escalator position after these reasonable efforts are made, the employee will be returned to the position they held immediately prior to taking a leave, or a position of like status, pay, and seniority.

Employees with Disabilities

An employee who has a disability that is incurred in, or aggravated during, uniformed service is entitled to receive reasonable accommodations in the performance of the escalator position. If the employee is not qualified for the escalator position even with the consideration of reasonable accommodations, the employee will be reemployed in a position of equivalent seniority, status and pay for which the employee could become qualified or is qualified after reasonable accommodation. If the employee cannot meet the qualifications of this second position even with the consideration of reasonable accommodations, the Company will reemploy the employee in a position that is the nearest approximation in terms of seniority, status, and pay to the second position, with reasonable accommodations.

Prompt reinstatement will vary depending on the amount of time the employee has been out on military leave. Prompt reinstatement may require a delay in employment of up to two weeks following the date the employee seeks reinstatement. Only in unusual circumstances will this period exceed two weeks.

The Company may require an employee returning from military leave for a period of service that exceeds 30 days to provide documentation of the employee's right to reinstatement, which requires the employee to show that:

- The employee has not exceeded five years of non-exempt service;

- The employee sought reinstatement within the time frame required by USERRA; and
- The employee was discharged from service in the uniformed services in a manner that does not disqualify the employee from USERRA's protections.

An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the leave period. Additionally, if an employee fails to seek reinstatement within the time frames discussed below, the Company will apply its normal work rules regarding absence from employment without notice or permission.

Discharge Restrictions Following Reinstatement

Employees who are reinstated after uniformed service that lasts between 31 and 180 days will not be discharged except for cause for a period of six months following reinstatement. Employees who are reinstated after uniformed service that lasts more than 180 days will not be discharged except for cause for a period of one year following reinstatement.

For purposes of this section of the policy, "cause" means:

- With respect to employee conduct, that it is reasonable to discharge the employee for the conduct in question, the employee had notice, which was express or can be fairly implied, and the conduct would constitute cause for discharge; and
- With respect to other reasons for termination of employment, such as a position elimination or a layoff, that there are legitimate, nondiscriminatory reasons for the action.

Health and Welfare Benefits During Leave

Active military personnel and their dependents typically are covered by TRICARE, the military healthcare plan, if the deployment is longer than 30 days.

An employee on military leave who elected health care coverage under the Company's health care plan prior to the start of a leave will retain that coverage for the first 30 days of any military leave at the rates the employee paid immediately prior to the start of the leave. After 30 days of leave, the employee may elect to continue their health care coverage, including coverage for dependents, for up to 24 months, under USERRA. If this continuation coverage is elected, the employee will be required to pay the entire cost of such coverage, which may be up to 102% of the full premium amount for that coverage (i.e., the employer's share plus the employee's share, plus two percent for administrative costs).

Employees also may be entitled to coverage under COBRA for up to 18 months of military leave. COBRA coverage runs concurrently with any continuation coverage under USERRA, and the employee is entitled to only one form of continuation coverage. The employee is responsible for all premium payments attributable to the employee; failure to pay such premiums will result in cancellation of coverage.

Prohibition Against Discrimination and Retaliation

Any employee who believes they have been discriminated or retaliated against based on their past, present, or future participation in the uniformed services, request for military leave, complaint or participation in any investigation of a complaint of discrimination or retaliation based on a military leave request or service participation, or any other situation protected under USERRA should immediately provide a written or verbal report to their supervisor, any other member of management, or to Human Resources to report such incidents.

After a report is received, the Company will conduct an investigation in accordance with the Equal Employment Opportunity policy set forth in this Handbook. The Company prohibits retaliation against employees who make such a complaint.

Georgia Military Leave

In addition to the military leave rights set forth above, Georgia regular full-time or part-time employees who leave their position with the Company to perform military service will be eligible for reinstatement upon completion of that service if they:

- Provide a certificate of military service completion;
- Are still qualified to perform the duties of the job; and
- Apply for reinstatement within 90 days after being relieved from military service.

Eligible employees will be restored to the same employment position or to a position of like seniority, status and pay. An exception may arise if the Company's circumstances change such that it is impossible or unreasonable to provide reinstatement following the leave of absence.

Non-temporary employees who must leave the Company for up to six months in a four-year period to participate in assemblies or annual training or to attend service schools conducted by the United States armed forces, are also entitled to reinstatement to their previous position, provided they are still qualified for the position, and they apply for reemployment within 10 days after completion of the temporary period of service.

Members of the Georgia National Guard or the National Guard of another state who are called into active state service by the Governor or other commander-in-chief and who, because of that service, are terminated or suspended from employment, will be eligible for reinstatement if they:

- Are still qualified to perform the duties of the position; and
- Apply for reinstatement within 10 days of the termination or suspension, or, if serving in active state service, within 10 days following the termination of that state service.

Eligible employees who are reinstated following military service will be reinstated without loss of seniority and entitled to participate in insurance or other benefits in accordance with the Company's established rules and practices relating to employees on furlough or a leave of absence. Eligible employees also will not be terminated without cause for one year following reinstatement.

Please contact Human Resources for more information.

5.6. Jury and Witness Duty Leave

The Company encourages all employees to fulfill their civic responsibilities and to respond to jury service or witness summons and subpoenas, attend court for prospective jury service or serve as a juror or witness. Under no circumstances will employees be terminated, threatened, coerced, or penalized because they request or take leave in accordance with this policy.

Employees will receive their regular compensation, less court-provided fees, for time spent engaged in attending court for prospective jury service or for serving as a juror or a witness under a subpoena or court order. Employees who are absent from work because of a court order or judicial process due to being charged with a crime are not entitled to leave.

Employees must provide the Company with reasonable advance notice that they received a jury or witness duty summons or a subpoena. In addition, verification from the court clerk of having served or appeared may be required.

5.7. Time Off to Vote

The Company encourages all employees to fulfill their civic responsibilities and to vote in public primaries and elections.

Employees will be allowed up to two hours off from work to vote. Employees can take time off to vote either on a day that is designated for advance in-person voting or on the day when a primary or election is held. Any additional time off will be without pay for nonexempt employees.

Employees must provide reasonable advance notice of the need for time off to vote so that the time off can be scheduled to minimize disruption to normal work schedules.

Proof of having voted may be required.

5.8. Bereavement Leave

Full-time employees who have completed the introductory period and who have a death in the family may take paid bereavement leave, as follows:

Covered Family Member	Paid Bereavement Leave
Spouse or Child	Five Days (5)
Parent, Sibling, or Grandparent	Three Days (3)
Other Family Members	One Day (1)

Chancy Drugs at its option may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

For purposes of this policy, "spouse" includes a legal spouse, or domestic partner, "children" includes step-children, children-in-law, and pregnancy loss (reference the below for more information), "parents" include step-parents and parents-in-law, "grandparents" include step-grandparents, and "siblings" includes step-siblings and half-siblings. "Other family members" includes in-laws not otherwise stipulated above, aunts, uncles, nieces, nephews, and cousins.

Employees must notify their supervisor as soon as possible if they need to take bereavement leave. Approval of bereavement leave will occur in the absence of unusual Company operating requirements.

Any employee may, with their supervisor's approval, use any available paid leave for additional time off beyond the days listed above, as necessary.

Pregnancy Loss

The Company wishes to support employees who experience pregnancy loss and will provide eligible employees with up to five (5) paid days off when they experience a loss. An employee who experiences more than one pregnancy loss event within a rolling 12-month period may take up to 10 days of leave within the rolling 12-month period.

A "pregnancy loss" event is defined as a:

- Failed surrogacy, meaning the dissolution or breach of a surrogacy agreement, or a failed embryo transfer to the surrogate, where the employee would have been a parent of a child born as a result of the surrogacy.
- Miscarriage by the employee, the employee's current spouse or domestic partner, or another individual where the employee would have been a parent of the child born as a result of the pregnancy.
- Stillbirth resulting from the pregnancy of the employee, the employee's current spouse or domestic partner, or another individual where the employee would have been a parent of a child born as a result of the pregnancy.

Employees may take pregnancy loss leave on consecutive or nonconsecutive days but generally must complete the leave within three months of the pregnancy loss event. For a pregnancy loss event that spans multiple days, the event is deemed to occur on the final day of the event. If an employee is on, or chooses to go on, a leave of absence under federal law or other company policy, either prior to or immediately following a pregnancy loss event, the employee must complete the pregnancy loss leave within three months of the end date of the other leave.

The Company will maintain the confidentiality of any employee requesting pregnancy loss leave. Any information provided to the Company regarding pregnancy loss leave will be maintained as confidential and will not be disclosed except to internal personnel, as necessary, or as required by law.

Employees requesting leave for pregnancy loss may be asked to provide appropriate documentation to support the eligibility for leave requested under this policy.

5.9. Family and Medical Leave

The Company will grant family and medical leave in accordance with the requirements of applicable federal and state law in effect at the time the leave is granted. Although the federal and state laws have different names, the Company refers to these types of leaves collectively as "FMLA Leave." In any case, employees will be eligible for the most generous benefits available under applicable law.

Employee Eligibility

To be eligible for FMLA Leave benefits, employees must: (1) have worked for the Company for a total of at least 12 months; (2) have worked at least 1,250 hours over the previous 12 months as of the start of the leave; and (3) have worked at a location where at least 50 employees are employed by the Company within 75 miles, as of the date the leave is requested. Eligibility requirements may differ for employees who have been on a protected military leave of absence. If employees are unsure whether they qualify for FMLA Leave, they should contact Human Resources.

Reasons for Leave

Federal and state laws allow FMLA Leave for various reasons. Because employees' legal rights and obligations may vary depending upon the reason for FMLA Leave, it is important to identify the purpose or reason for the leave. Leave covered by the federal Family and Medical Leave Act (Fed-FMLA) may be used for one of the following reasons, in addition to any reason covered by an applicable state family/medical leave law:

- The birth, adoption or foster care of an employee's child within 12 months following the birth or placement of the child (Bonding Leave);
- To care for an immediate family member (spouse, child or parent) with a serious health condition (Family Care Leave);
- An employee's inability to work because of a serious health condition (Serious Health Condition Leave);
- A "qualifying exigency," as defined under the Fed-FMLA, arising from a spouse's, child's or parent's "covered active duty" as a member of the military reserves, National Guard or Armed Forces (Military Emergency Leave); or
- To care for a spouse, child, parent or next of kin (nearest blood relative) who is a "Covered Servicemember" (Military Caregiver Leave).

Definitions

- **"Child,"** for purposes of Bonding Leave and Family Care Leave, means a biological, adopted or foster child; a stepchild; a legal ward; or a child of a person standing in loco parentis, who is either under age 18, or age 18 or older and incapable of self-care because of a mental or physical disability at the time that FMLA Leave is to commence. **"Child,"** for purposes of Military Emergency Leave and Military Caregiver Leave, means a biological, adopted or foster child; stepchild; legal ward; or a child for whom the person stood in loco parentis, and who is of any age.
- **"Parent,"** for purposes of this policy, means a biological, adoptive, step or foster parent, or any other individual who stood in loco parentis to the person. This term does not include parents-in-law. For Military Emergency Leave taken to provide care to a parent of a deployed military member, the parent must be incapable of self-care as defined by the Fed-FMLA.
- **"Covered Active Duty"** means (1) in the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country; and (2) in the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty (or notification of an impending call or order to active duty) in support of a contingency operation as defined by applicable law.
- **"Covered Servicemember"** means (1) a member of the Armed Forces, including a member of a reserve component of the Armed Forces, 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 incurred or aggravated in the line of duty while on active duty that may render the individual medically unfit to perform their military duties; or (2) a person who, during the five years prior to the treatment necessitating the leave, served in the active military, Naval or Air Service, and who was discharged or released under conditions other than dishonorable (a "veteran" as defined by the Department of Veteran Affairs), and who has a qualifying injury or illness incurred or aggravated in the line of duty while on active duty that manifested itself before or after the member became a veteran. For purposes of determining the five-year period for covered veteran status, the period between October 28, 2009, and March 8, 2013, is excluded.
- **"Spouse "** means the other person with whom an individual entered into marriage as defined or recognized under state law in the state in which the marriage was entered into, or, in the case of a marriage entered into outside of any state, if the marriage is valid in the place where entered into and could have been entered into in at least one state. This includes common law marriage or same-sex marriage in places where these marriages are recognized.
- **"Key employee"** means a salaried Fed-FMLA-eligible employee who is among the highest paid 10 percent of all the employees employed by the employer within 75 miles of the employee's worksite.

Length of Leave

The maximum amount of FMLA Leave is 12 workweeks in any 12-month period when the leave is taken for: (1) Bonding Leave; (2) Family Care Leave; (3) Serious Health Condition Leave; and (4) Military Emergency Leave. However, if both spouses work for the Company and are eligible for leave under this policy, the spouses will be limited to a total of 12 workweeks off between the two of them when the leave is for Bonding Leave or to care for a parent using Family Care Leave. The applicable "12-month period" utilized by the Company is a **rolling 12-month period measured backward from the date an employee first takes FMLA Leave**. Under this method the 12-month period is measured backward from the day the employee uses any FMLA Leave.

The maximum amount of FMLA Leave for an employee wishing to take Military Caregiver Leave is a combined leave total of 26 workweeks in a single 12-month period. A "single 12-month period" begins on the date of the employee's first use of such leave and ends 12 months after that date.

If both spouses work for the Company and are eligible for leave under this policy, the spouses will be limited to a total of 26 workweeks off between the two when the leave is for Military Caregiver Leave only or is for a combination of Military Caregiver Leave, Military Emergency Leave, Bonding Leave and/or Family Care Leave taken to care for a parent.

To the extent required by law, some extensions to leave beyond an employee's FMLA Leave entitlement may be granted when the leave is necessitated by an employee's work-related injury or illness or by a "disability" as defined under the Americans with Disabilities Act and/or applicable state or local law. Certain restrictions on these benefits may apply.

Intermittent or Reduced Schedule Leave

Under some circumstances, employees may take FMLA Leave intermittently, which means taking leave in blocks of time or reducing the employee's normal weekly or daily work schedule. An employee may take leave intermittently or on a reduced schedule whenever it is medically necessary to care for a seriously ill family member or because the employee is seriously ill and unable to work. Leave due to military exigencies may also be taken on an intermittent basis.

Leave taken intermittently may be taken in increments of no less than **[insert the shortest increment of time used to account for leaves]**. Employees who take leave intermittently or on a reduced work schedule basis for planned medical treatment must make a reasonable effort to schedule the leave so as not to unduly disrupt the Company's operations. Please contact Human Resources prior to scheduling medical treatment. If FMLA Leave is taken intermittently or on a reduced schedule basis due to planned medical treatment, we may require employees to transfer temporarily to an available alternative position with an equivalent pay rate and benefits, including a part-time position, to better accommodate recurring periods of leave.

If employees have been approved for intermittent leave and they request leave time that is unforeseeable, they must specifically reference either the qualifying reason for leave or the need for FMLA Leave at the time they call off.

If an employee's request for intermittent leave is approved, the Company may later require employees to obtain recertification of their need for leave. For example, the Company may request recertification if it receives information that casts doubt on an employee's report that an absence qualifies for FMLA Leave.

Notice and Certification

Bonding, Family Care, Serious Health Condition and Military Caregiver Leave Requirements

Employees are required to provide:

- When the need for the leave is foreseeable, 30 days' advance notice or such notice as is both possible and practical if the leave must begin in fewer than 30 days (normally this would be the same day the employee becomes aware of the need for leave or the next business day);
- When the need for leave is not foreseeable, notice within the time prescribed by the Company's normal absence reporting policy, unless unusual circumstances prevent compliance, in which case notice is required as soon as is otherwise possible and practical;
- When the leave relates to medical issues, a completed Certification of Health Care Provider form within 15 calendar days (for Military Caregiver Leave, an invitational travel order or invitational travel authorization may be submitted in lieu of a Certification of Health Care Provider form);
- Periodic recertification (upon the Company's request); and
- Periodic reports during the leave.

Certification forms are available from Human Resources. At the Company's expense, we may require a second or third medical opinion regarding the employee's own serious health condition or the serious health condition of the employee's family member. In some cases, we may require a second or third opinion regarding the injury or illness of a Covered Service Member. Employees are expected to cooperate with the Company in obtaining additional medical opinions that we may require.

When leave is for planned medical treatment, employees must try to schedule treatment so as not to unduly disrupt the Company's operation. Please contact Human Resources prior to scheduling planned medical treatment.

Recertification After Grant of Leave

In addition to the requirements listed above, if an employee's FMLA Leave is certified, the Company may later require medical recertification in connection with an absence that the employee reports as qualifying for FMLA Leave. For example, the Company may request

recertification if (1) the employee requests an extension of leave; (2) the circumstances of the employee's condition as described by the previous certification change significantly (e.g., the employee's absences deviate from the duration or frequency set forth in the previous certification; the employee's condition becomes more severe than indicated in the original certification; the employee encounters complications); or (3) the Company receives information that casts doubt upon the employee's stated reason for the absence.

The Company may also request recertification in connection with an absence after six months have passed since the employee's original certification, regardless of the estimated duration of the serious health condition necessitating the need for leave. Any recertification requested by the Company will be at the employee's expense.

Military Emergency Leave Requirements

Employees are required to provide:

- As much advance notice as is reasonable and practicable under the circumstances;
- A copy of the covered servicemember's active duty orders when the employee requests leave and/or documentation (such as Rest and Recuperation leave orders) issued by the military setting forth the dates of the servicemember's leave; and
- A completed Certification of Qualifying Exigency form within 15 calendar days, unless unusual circumstances exist to justify providing the form at a later date.

Certification forms are available from Human Resources.

Failure to Provide Notice or Certification and to Return from Leave

Absent unusual circumstances, failure to comply with these notice and certification requirements may result in a delay or denial of the leave.

If an employee fails to return to work at the leave's expiration and has not obtained an extension of the leave, the Company may presume that the employee does not plan to return to work and has voluntarily terminated their employment.

Compensation During Leave

Generally, FMLA Leave is unpaid. However, employees may be eligible to receive benefits through state-sponsored programs or the Company's sponsored wage-replacement benefit programs. Employees may also choose to use accrued vacation and sick leave, to the extent permitted by law and the Company's policy. All payments of wage-replacement benefits and accrued paid leave will be integrated so that employees will receive no greater compensation than their regular compensation during this period. The Company may require employees to use accrued PTO to cover some or all of their FMLA Leave. The use of paid benefits will not extend the length of FMLA Leave.

Unless permissible under state law, employees are prohibited from working for someone else while on the Company's payroll during our core business hours or any hours that might interfere with an employee's ability to get work done for the Company.

Benefits During Leave

The Company will continue making contributions to employees' group health benefits during their leave on the same terms as if the employees had continued to actively work. This means that if employees want their benefits coverage to continue during their leave, they must also continue to make the same premium payments that they are now required to make for themselves or their dependents. Employees taking Bonding Leave, Family Care Leave, Serious Health Condition Leave and Military Emergency Leave will generally be provided with group health benefits for a 12-workweek period. Employees taking Military Caregiver Leave may be eligible to receive group health benefits coverage for up to a maximum of 26 workweeks. In some instances, the Company may recover premiums it paid on an employee's behalf to maintain health coverage if the employee fails to return to work following FMLA Leave.

An employee's length of service as of the leave will remain intact, but benefits such as vacation and sick leave may not accrue while on an unpaid FMLA Leave.

Job Reinstatement

Under most circumstances, employees will be reinstated to the same position they held at the time of the leave or to an equivalent position with equivalent pay, benefits and other terms and conditions of employment. However, employees have no greater right to reinstatement than if they had been continuously employed rather than taken leave. For example, if an employee would have been laid off or their position would have been eliminated even if they had not gone on leave, then the employee will not be entitled to reinstatement.

Prior to being allowed to return to work, an employee wishing to return from a Serious Health Condition Leave must submit an acceptable release from a health care provider that certifies the employee can perform the essential functions of the job as those essential functions relate to the employee's serious health condition. For an employee on intermittent or reduced schedule FMLA Leave, such a release may be required if reasonable safety concerns exist regarding the employee's ability to perform their duties, based on the serious health condition for which the employee took the intermittent or reduced schedule leave.

Key employees may be subject to reinstatement limitations in some circumstances. If employees are considered a "key employee," those employees will be notified of the possible limitations on reinstatement at the time the employee requests a leave of absence.

Confidentiality

Documents relating to medical certifications, recertifications or medical histories of employees or employees' family members will be maintained separately and treated as confidential medical

records, except that in some legally recognized circumstances, the records (or information in them) may be disclosed to supervisors and managers, first aid and safety personnel or government officials.

Fraudulent Use of FMLA Prohibited

An employee who fraudulently obtains FMLA Leave from the Company is not protected by the Fed-FMLA's job restoration or maintenance of health benefits provisions. In addition, the Company will take all available appropriate disciplinary action against such employee due to such fraud.

Nondiscrimination

The Company takes its Fed-FMLA obligations very seriously and will not interfere with, restrain or deny the exercise of any rights provided by the FMLA. We will not terminate or discriminate against any individual for opposing any practice, or because of involvement in any proceeding related to the FMLA. If an employee believes that their FMLA rights have been violated in any way, they should immediately report the matter to Human Resources.

Additional Documentation

A Notice to Employees of Rights Under FMLA (WHD Publication 1420) is attached to this Handbook.

Employees should contact Human Resources for any FMLA Leave questions they may have.

Effect on Other Rights and Policies

The Company may provide other forms of leave for employees to care for family members or medical conditions under other federal, state and local laws. In certain situations, leave under this policy may run at the same time as leave available under another federal, state or local law, provided eligibility requirements for that law are met. The Company is committed to complying with all applicable laws. Employees should contact Human Resources for information about other federal, state, and local medical or family leave rights.

Section VI. Compensation Practices

6.1 Wage Rates

It is the Company's desire to pay all employees wages that are competitive within the industry and geographic area and in a way that will be motivational, fair, and equitable. Compensation may vary based on roles and responsibilities, individual and company performance, and in compliance with all applicable laws.

6.2 Wage Advancement

The Company rewards employees based on their individual performance, current wage, and other factors summarized below. Individual employee rewards are not based on subjective factors, nor are they based solely on inflation adjustments. Merit increases are not guaranteed. Factors to consider in determining wage increases include the following:

- a) Type, complexity, and level of work,
- b) Individual performance and effectiveness in working with others,
- c) Ability to manage/lead teams, if applicable,
- d) Contribution to the organization,
- e) Wage in relation to the labor market,
- f) Wage in relation to the current position in the pay range,
- g) Overall performance of the organization

Wage reviews are generally conducted annually within the month of the employee's anniversary date of position.

6.3 Payment of Wages

Employees will be paid biweekly on Fridays by check or direct deposit. Each pay period covers two work weeks. If the regular holiday falls on a holiday, employees will be paid on the following day of operation. Employees who enjoy the benefit of electronic direct deposit will receive a pay stub on each payday.

Paycheck Deductions

The Company is required by state and federal law to make certain deductions from employees' paychecks each pay period. Such deductions include federal and state income taxes and Social Security and Medicare (FICA).

Some nonexempt employees' pay may be subject to deductions for items such as tools or uniforms. Such deductions will be made in accordance with state and federal law and require written authorization from the employee.

The amount of all deductions will be listed on the employee's pay stub.

Reporting Errors and Obtaining More Information

If any employee, exempt or nonexempt, has questions about deductions from their pay, believes they have been subjected to improper deductions, or believes that the amount paid does not accurately reflect their total hours worked or salary, please contact Human Resources or a supervisor.

Every report will be fully investigated, and the Company will provide the employee with any compensation to which the employee is entitled in a timely fashion.

The Company complies with all applicable laws, including the Fair Labor Standards Act, and will not allow any form of retaliation against individuals who make good-faith reports of alleged violations of this policy, or who cooperate in an investigation by the Company, even if the reports do not reveal any errors or wrongdoing.

6.4 Work Schedules

The Company is generally open for business Monday through Saturday. The supervisor will assign employee work schedules. All employees are expected to be at their designated work area at the start of their scheduled shift, ready to perform their work.

Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total number of hours scheduled each day and week.

6.5 Meal Breaks

The Company will provide break time as appropriate, subject to operational needs and supervisory discretion. Employees are generally provided with a one-hour meal break. The Company does not contract to provide such break time, and there may be positions or times when providing a meal break is not possible.

Meal breaks lasting 30 minutes or more are not considered "hours worked" for purposes of federal law and will not be paid for nonexempt employees. Employees must be completely relieved from work duties during any unpaid meal breaks. Nonexempt employees must record the beginning and ending times of their meal breaks each day on their time records.

Meal breaks are generally scheduled between the hours of 11:00 a.m. and 2:30 p.m. and must be staggered to ensure continuity of service. Supervisors will assign meal breaks.

Supervisors are responsible for administering their department's meal breaks and are expected to ensure all employees take meal breaks and are fully relieved of all work while on these meal periods.

Employees are expected to take meal breaks as provided and shall not have the authority to decide otherwise. Employees shall take meal breaks away from workstations and should use provided breakrooms if choosing to remain on property.

Employees are responsible for reporting to their supervisor any meal period that was not provided or not authorized and permitted where the supervisor would have no reason to otherwise know of this fact. Employees who believe they are not provided with meal breaks as provided under this policy, should immediately report such to Human Resources.

The nature of the work of certain positions may require an employee to be on duty at all times while the pharmacy is open. If the employee were to take an off-duty meal break, the company would be affected legally and detrimentally. Therefore, at times, it is understood that the nature of an employee's work prevents the employee from being relieved of all duties during the employee's meal break and, as such, will be paid during this time. Although the employee cannot leave the premises, the employee should rest and eat to the extent possible.

Lactation Accommodation

The Company will provide reasonable breaks during work hours to accommodate an employee desiring to express breast milk at the work site. If possible, the lactation break time should run concurrently with scheduled meal and rest breaks already provided to the employee. Break time for lactation will be paid at the employee's regular rate of compensation.

Employees should work with their supervisor regarding scheduling and reporting the extra break time.

The Company will provide employees with the use of a private location to express breast milk in privacy at the work site, other than a bathroom or toilet stall. The location must be shielded from view and free from intrusion from co-workers and the public. The Company will make a reasonable effort to identify a location within close proximity to the work area for the employee to express milk. This location may be the employee's private office, if applicable.

The Company will otherwise treat lactation as a medical condition and address lactation-related needs in the same manner that it addresses other non-incapacitating medical conditions, including requested time off for medical appointments, requested changes in schedules, and other requested accommodations.

Employees should discuss with their supervisor the location for storage of expressed milk. In addition, employees should contact Human Resources before their return to work following the birth of a child to identify the need for a lactation area.

Employees who believe they have not been provided lactation break time and the use of a room or private area in accordance with this policy and federal law should immediately notify Human Resources. The Company will not retaliate or discriminate against an employee because they file a complaint or institute any proceeding under or related to the federal Fair Labor Standards Act, testify in any such proceeding, or serve on an industry committee.

6.6 Timekeeping

Nonexempt Employees

Employees who are classified as nonexempt must accurately record the time they work each day, including arrival, departure, and meal break times.

When employees receive their paychecks, they should verify immediately that their working time was recorded accurately and that they were paid correctly for all hours worked.

Nonexempt employees must report *all* time worked and must *not* work any time that is not authorized by their supervisors. This means nonexempt employees must not start work early, finish work late, work during a meal break, or perform any other extra or overtime work unless directed to do so. Employees who have questions about when or how many hours they are expected to work should contact their supervisor or Human Resources.

It is a violation of the Company's policy for anyone to instruct or encourage another employee to work "off the clock," to incorrectly report hours worked or to alter another employee's time records. If any employee is directed or encouraged to incorrectly report hours worked or to alter another employee's time records, the employee should report the incident immediately to a supervisor or Human Resources.

Exempt Employees

Employees who are classified as exempt must record absences from work for reasons such as leaves of absence, bereavement, holidays, or paid time off.

Exempt employees are paid on a salary basis. This means the employee regularly receives a predetermined amount of compensation each pay period, which cannot be reduced because of variations in the quality or quantity of the employee's work. In general, an exempt employee will receive their salary for any week in which the employee performs any work, regardless of the number of days or hours worked. However, exempt employees will not be paid for days not worked in the following circumstances:

- Exempt employees who take one or more full days off for personal reasons other than sickness or disability will not be paid for such day(s) of absence, but employees may use available PTO to make up for the reduction in salary;
- Exempt employees who take one or more full days off from work due to sickness or disability will not be paid for such day(s) of absence, but employees may use available PTO to make up for the reduction in salary;
- Exempt employees who work only part of the week during their first and last week with the Company will be paid only for the days actually worked;
- Exempt employees who take unpaid leave under the Family and Medical Leave Act or corresponding laws will not be paid for such days/hours of absence; and
- Exempt employees who receive an unpaid disciplinary suspension of one or more full days, imposed in good faith for a workplace conduct rule infraction, will not be paid for the days of suspension.

The Company may require an exempt employee to use available PTO as a replacement for salary when the employee takes less than a full day off from work.

An exempt employee's salary will not be reduced when the employee works part of a week and misses part of a week due to service as a juror, witness, or military member or for lack of work, though deductions may be made to offset amounts an employee receives as jury or witness fees or for military pay. The Company may also make lawful deductions from an employee's salary for penalties imposed in good faith for infractions of safety rules of major significance.

It is Company policy to comply with the salary basis requirements of the Fair Labor Standards Act (FLSA) and applicable state law. The Company prohibits any deductions from pay that violate the FLSA or applicable state law.

If an exempt employee believes that an improper deduction has been made to their salary, they should immediately report this information to Human Resources or a supervisor. Reports of improper deductions will be promptly investigated, and the employee will be promptly reimbursed for any improper deductions made.

6.7 Overtime

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime. Nonexempt employees will be paid one and one-half (1.5) times their regular rate of pay for all hours worked in excess of 40 in one workweek and as otherwise required by applicable state and federal law. Paid time off such as PTO, holiday pay, jury duty pay, etc. (where applicable) will not count toward hours worked for the purpose of determining overtime pay.

All overtime work must be authorized in advance by the employee's supervisor. Working overtime without prior authorization may result in disciplinary action.

Exempt employees are expected to work as much of each workday as is necessary to complete their job responsibilities. No overtime or additional compensation is provided to exempt employees.

For overtime pay calculation purposes, the workday begins at 12:00 a.m. and ends at 11:59 p.m. The workweek begins at 12:00 a.m. on Saturdays and ends at 11:59 p.m. on Fridays.

Section VII. Employee Benefits

7.1. Benefits Overview and Eligibility

Benefit plans offered by Chancy Drugs are defined in legal documents, such as insurance contracts and summary plan descriptions. If employees are offered benefits, and if a question arises about the nature and extent of plan benefits or if there is a conflict in language, the formal language of the plan documents govern, not the informal wording of this Handbook. Plan documents, if applicable, are available for employees' inspection. The Company and its designated benefit plan administrators reserve the right to determine eligibility, interpretation, and administration of issues related to benefits offered by Chancy Drugs.

All regular full-time employees will enjoy all the benefits described in this policy and the individual plan summaries as soon as they meet the eligibility requirements for each particular benefit. Part-time employees are eligible to receive only those benefits required by law. Temporary employees are not entitled to any company benefits.

Unless specifically noted, the benefit eligibility period is 60 days. Eligible employees' benefits will take effect on the first of the month after 60 days of employment.

7.2. Medical Insurance

The Company currently offers medical insurance to eligible employees and their spouses, dependents, and other qualifying family members in an equitable and cost-effective way and in compliance with applicable state and federal laws. Eligible employees are those who work at least 30 hours per week.

Coverage begins on the first of the month following 60 days of employment. Once the selection is made, it will remain fixed for the remainder of the plan year. Employees will have an opportunity to make changes to their benefits selections during the Company's annual open enrollment period.

However, employees who experience a qualifying life event, such as marriage, divorce, the birth of a child, etc., will be allowed to make a change in their benefit selection when that event occurs, in accordance with the terms of the plan document. When a qualifying event occurs, the employee has a 30-day timeframe to report the event and make the necessary changes to the benefit plans. The employee must provide proof of the event (e.g., marriage certificate, divorce decree, birth record).

Coverage details are included in the Summary Plan Description. Both the Company and the employee contribute to the cost of medical insurance. The Company contributes 80% of the total

monthly premium for medical insurance, up to a maximum of \$650 per month.

7.3 Other Voluntary Coverage

The Company may provide employees the option to obtain other types of coverage for themselves and their dependents. Types of coverage may include dental, vision, short-term and long-term disability, life insurance, and supplemental products (e.g., accident, cancer, hospital confinement). Participation in these plans is voluntary and premiums are covered in full by the employee through payroll deduction. Most of the coverage stated in this section is eligible to be considered as pre-tax, but not all.

Refer to the summary plan descriptions for additional details on all other types of health coverage options.

7.4 Insurance Carriers

The Company will maintain high-quality health coverage for its employees. However, the company maintains the right to review the marketplace and ascertain the best plan for its employees as it determines the need. At a minimum, the Company will evaluate current plans and carriers and assess the benefits offered by other carriers throughout the marketplace annually.

7.5 Continuation Coverage

According to the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) and the state of Georgia, in the event of your termination of employment with the Company, whether voluntary or involuntary (except for termination for misconduct), or loss of eligibility to remain covered under the Company's group health insurance plans, employees and their eligible dependents may have the right to continued coverage under the Company's group health insurance plans for a limited period of time, at their own expense plus an administrative fee. Consult the HR Department for details.

Coverage During Unpaid Leave:

In the case of extended medical leave not covered by FMLA, or other approved leaves of absence, where the employee is no longer receiving compensation, the employee may continue coverage where permissible, but only if premium payments are continued within the determined timeframes. Premium payments are due on the first of the month with a 30-day grace period. Non-payment of premiums will result in a lapse of coverage.

7.6 Unemployment Compensation

Unemployment compensation is designed to provide a temporary income for those out of work through no fault of their own. Depending upon the circumstances, employees may be eligible for unemployment compensation upon termination of employment with the Company. The Georgia Department of Labor determines eligibility for unemployment compensation. The Company pays the entire cost of this insurance program, in compliance with federal and state laws.

7.7 Employee Discounts

Employees, their spouses, and dependents are eligible to receive a 20% discount on all OTC items, premium vitamins, and compound prescriptions. The discount does not apply to items “on sale” or being sold at a reduced or closeout price.

Additionally, employees, their spouses, and dependents are eligible for cash price discounts on retail prescriptions as follows:

For prescriptions with a cost of less than \$50.00:	Employee will pay the cost plus \$5.00
For prescriptions with a cost of \$50.00 or more:	Employee will pay the cost plus \$10.00

Employees may choose to use their insurance. When insurance is used, the employee will be responsible for the applicable copay.

Section VIII. Business Travel

8.1 Authorized Non-Routine Business Travel

All business travel, either within or outside of the Company's service area, overnight or same day, including attendance at conferences, workshops, trainings, schools, seminars, and business meetings, must be authorized in advance by the appropriate manager.

8.2 Routine Business Travel

Due to the home delivery program in place, certain employment positions are regularly required to drive for company business. In these cases, Company vehicles will be provided and must be used.

8.3 Expense Reimbursement

Under ordinary circumstances, it is the policy of the Company to reimburse travel expenses on the basis of the M&IE per diem rates, published by the U.S. General Services Administration (GSA). Persons traveling on Company business are entitled to transportation, hotel accommodation, meals, and limited incidentals that meet reasonable and adequate standards for convenience, safety, and comfort. When such business involves overnight travel, the employee must submit a preliminary travel expense report and may receive advanced payment. Upon return from all business travel, the employee must submit a finalized travel expense report.

Hotel accommodation expenses are only covered when the overnight travel is 50 miles or more outside of the Company's service area.

Exempt employees will be paid their regular salary for any weeks in which they travel. Nonexempt employees will be paid for travel time in accordance with company policy and with federal and state wage and hour laws.

Abuse of this Business Travel and Reimbursement policy, including falsifying expense reports to reflect costs not incurred by the employee, may result in disciplinary action, up to and including termination of employment.

8.4 State Drivers' License Requirement and Standards

Employees who are required to travel as part of their regular job duties are required to maintain a valid Georgia drivers' license. The Company reserves the right to determine which employment positions require routine business travel.

Employees are expected to responsibly notify the Department of Motor Vehicles (DMV) of all changes in personal information as required by law.

Driving Record Standards

Employees required to drive a vehicle for Company business, must maintain a valid state drivers' license at all times. The employee's driving record must remain acceptable, per the Company's standards as set forth below:

An acceptable driving record is a record that is free from DUIs, DWIs, DUI/DWIs reduced to any other category, reckless driving with homicide, or points in excess of nine (9). In the following circumstances:

- The employee is under investigation for a DUI, DWI, open container, or an accident in which the employee is believed to be responsible and a homicide occurred – the employee will be placed on administrative leave pending conviction.
- The employee has been convicted of a DUI, DWI, open container, or a reckless driving offense in which a homicide occurred – the employee will be subject to immediate termination.
- The employee has surpassed nine (9) points on the driving record in one calendar year – the employee will be subject to immediate termination.
- The employee has had his or her driver's license revoked, suspended, or otherwise invalidated for any other reason than those stated above, and the employee is unable to reinstate the driver's license within 60-calendar days – the employee will be subject to termination.

The HR Department may conduct annual or random driver's license record checks for employees who are required to drive for Company business.

Notification of Invalidated Drivers' License

Should an employee's driver's license become suspended, revoked, or otherwise invalid, the employee must immediately report the status change to their supervisor who will then report the change to the HR Manager. Unless specified otherwise above under "Driving Record Standards," the employee will be placed on administrative leave until the license returns to valid status, for a

maximum of 60 calendar days. After 60 calendar days, if the employee's driver's license is not validated, the employee will be subject to termination.

If available, the employee may be placed in another position that does not require driving during or after the 60-day period. Placement will be based on the employee's qualifications, availability of the position, work performance history, safety record history, and discipline record. The Company is not required to place the employee in an alternate position, and placement is at the discretion of the manager and HR.

If the employee fails to provide such notification, disciplinary action, up to and including termination, will be taken.

Out-of-State Drivers' License

A new employee who has a valid out-of-state driver's license will be permitted to operate a personal vehicle for Company business, only for the amount of time provided by state law to obtain a state driver's license. However, the employee will not be permitted to operate a Company vehicle until a valid state driver's license is obtained.

If the employee does not obtain a valid state driver's license in the time provided by state law, the employee will be subject to termination.

Section IX. Safety and Security

9.1 Workplace Violence and Bullying

The safety and security of employees is of vital importance to Chancy Drugs. Therefore, the Company has adopted a zero-tolerance policy concerning work-related violence. Threats or acts of violence - including intimidation, bullying, physical or mental abuse and/or coercion - that involve or affect employees or that occur on the Company's premises, will not be tolerated.

It is our goal to have a work environment free from acts or threats of violence and to respond effectively to such acts or threats.

Work-related violence is any intentional conduct that is sufficiently severe, abusive, or intimidating to cause an individual to reasonably fear for their personal safety or the safety of their family, friends, and/or property such that employment conditions are altered or a hostile, abusive or intimidating work environment is created for one or several employees.

This policy prohibits conduct by all persons involved in our operations, including employees, supervisors, managers, temporary or seasonal employees ("employees"), agents, clients, vendors, customers, or any other third party interacting with the Company ("third parties").

Work-related violence includes, but is not limited to:

- Threats or acts of violence occurring on company premises, regardless of the relationship between the parties involved in the incident;
- Threats or acts of violence occurring off company premises involving someone who is acting in the capacity of a representative of the Company;
- Threats or acts of violence occurring off company premises involving an employee if the threats or acts affect the business interests of the Company;
- All threats or acts of violence occurring off company premises, of which an employee is a victim, if we determine that the incident may lead to an incident of violence on company premises; and
- Threats or acts of violence resulting in the conviction of an employee or agent of the Company, or an individual performing services for the Company on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence when the act or conviction adversely affects the legitimate business interests of the Company.

Examples of conduct that may be considered threats or acts of violence under this policy include, but are not limited to:

- Threatening physical contact directed toward another individual;

- Threatening an individual or their family, friends, associates or property with harm;
- The intentional destruction or threat of destruction of Company property or an individual's property;
- Menacing or threatening phone calls;
- Stalking;
- Veiled threats of physical harm or similar intimidation; and
- Communicating an endorsement of the inappropriate use of firearms or weapons.

Work-related violence does not refer to work environment arguments or debates that are zealous or impassioned, provided there is no resort to any form of coercion. Discussions about legitimate sporting activities, popular entertainment, or current events are not considered work-related violence when there is no threat of violence directed to the work environment or any individual connected with it. Rather, work-related violence refers to behavior that demonstrates an intention to engage in violence, condones violence in our work environment, or targets any individual with acts or threats of violence.

Bullying

Chancy Drugs does not tolerate bullying behavior, as explained in this policy.

"Work-related bullying" is the use of force, threats, or coercion to abuse, intimidate, or humiliate another employee. Work-related bullying includes, but is not limited to, the following:

- Verbal abuse, such as the use of patently offensive, demeaning or humiliating remarks and epithets;
- Verbal or physical conduct that is threatening or obscene;
- Pushing, shoving, kicking, poking, tripping, assaulting or threatening physical assault, or intentionally damaging a person's work area or property; or
- Sabotaging, or deliberately subverting, obstructing or disrupting another person's work performance.

Cyberbullying is also prohibited. "Cyberbullying" refers to bullying, as defined above, that occurs through the use of a computer, cell phone, smartphone, tablet or other device that transmits electronic information, regardless of whether the device is owned by or located at Chancy Drugs or connected to the Company network.

Reporting Procedure

Employees should help maintain a violence and bullying-free work environment. To that end, all employees are encouraged to report any indirect or direct threats of violence, incidents of actual violence, suspicious individuals or activities, and bullying behavior as soon as possible.

The Company provides alternative avenues to report incidents, threats, or claims of violence. Employees have the option to make known their complaint to either their immediate supervisor, next in command, or HR. To protect the privacy of the persons involved, confidentiality will be

maintained throughout the investigatory process to the extent possible and appropriate under the circumstances.

When reporting, the employee should be as specific and detailed as possible. Employees should not place themselves in peril, nor should they attempt to intercede during an incident.

Additionally, employees should promptly inform HR of any protective or restraining order that they have obtained that lists the workplace as a protected area. Employees are encouraged to report safety concerns regarding domestic violence.

Investigation Procedure

Once a member of management has been informed of the threat or incidence of violence or bullying, the claim will be promptly and thoroughly investigated in as confidential a manner as possible. The complainant will be kept informed as to the status of the investigation and its outcome, as much as is permitted by law or legal strategy.

Employees found to have engaged in misconduct constituting violence or bullying will receive appropriate disciplinary action, up to and including termination. Nothing in this policy prevents the Company from placing the accused on administrative leave pending investigation.

Appeals Process

If the complainant is dissatisfied with the outcome or resolution of their complaint, that individual has the right to appeal the decision to the HR Manager or the Pharmacy Owner.

Retaliation

The Company, or any of its employees, shall not in any way retaliate against any individual who makes a report of violence or bullying or was involved in an investigation. Retaliation includes, but is not limited to:

- Disparate treatment in employment decisions or working conditions
- Exclusion
- Hostile treatment
- Gossip / Rumors

Any person who retaliates against another individual for reporting or participating in an investigation will be subject to appropriate disciplinary action, up to and including termination.

False Accusations

If an investigation results in findings that the complainant knowingly made a false complaint, the complainant will receive appropriate corrective action, up to and including termination.

This policy in no way prohibits employees from engaging in activities that are protected under applicable state and federal laws, including but not limited to any activity that is protected under Section 7 of the National Labor Relations Act (NLRA), which includes the right of employees to speak with others, engage in debates and protest about their terms and conditions of employment. No provision of this policy statement alters the at-will nature of employment with Chancy Drugs. The Company will make the sole determination of whether and to what extent it will act upon threats or acts of violence. In making this determination, the Company may undertake a case-by-case analysis to ascertain whether there is a reasonable basis to believe that work-related violence has occurred.

9.2. Weapons in the Workplace

Chancy Drugs strictly prohibits employees, or any other person providing services to the Company or located on the Company's premises, from possessing weapons of any kind at the workplace. The workplace includes any property owned or leased by the Company or occupied by groups of company employees or persons providing services to the Company. Employees are not permitted to transport or store weapons in vehicles owned or leased by the Company and used by the employee for work purposes. This policy prohibits the possession of concealed weapons as well as weapons carried openly.

This prohibition specifically includes guns, rifles, and firearms of any type, including those for which the holder has a legal permit. Other examples of prohibited weapons include, but are not limited to, knives, ammunition, bombs, bows and arrows, clubs, slingshots, blackjacks, metal knuckles, and similar devices that, by their design or intended use, are capable of inflicting serious bodily injury or lethal force.

In compliance with Georgia law, the Company permits employees who are lawful weapons carriers to leave their firearm and/or ammunition in their privately owned locked car in the Company's parking lot, so long as the firearm or ammunition is locked out of sight within the trunk, glove box or other enclosed compartment.

For purposes of this policy, a "lawful weapons carrier" means any person licensed or eligible for a license under Georgia law and is not otherwise prohibited by law from possessing a weapon or long gun. A "lawful weapons carrier" also means any resident of any other state who would otherwise be eligible to obtain a license but for the residency requirement and any person licensed to carry a weapon in any other state.

In the event that an employee has been subject to disciplinary action or has a disciplinary action pending, the Company reserves the right to prohibit the employee from bringing a firearm onto company property.

The Company will not be liable for criminal or civil actions resulting from the theft of a firearm from an employee's vehicle, and the Company will not provide additional security for employees who wish to store a firearm in their personal vehicle in compliance with this policy.

The Company will generally not search an employee's private vehicle or condition employment on an agreement by a prospective employee who is a lawful weapons carrier not to store their firearm or ammunition locked out of sight within the trunk, glove box, or other enclosed compartment of their locked, personally owned car. However, employees should note that vehicles may be searched by law enforcement personnel, by the Company if the vehicle is employer-owned, or in any situation in which a reasonable person would believe that accessing an employee's locked vehicle is necessary to prevent an immediate threat to human health, life or safety.

9.3 Smoke-Free Workplace

The Company prohibits smoking (including the use of an electronic smoking device) in the workplace except in areas specifically designated as smoking areas. The Company has posted signs to help employees identify areas where smoking is allowed and areas where it is prohibited. Employees wishing to smoke must do so outside company facilities or in designated smoking areas during scheduled work breaks.

Employees who observe other individuals smoking in the workplace in violation of this policy have a right to object and should report the violation to their supervisor or another member of management or Human Resources. Employees will not be disciplined or retaliated against for reporting smoking that violates Georgia law or this policy.

Employees who violate this policy will be subject to disciplinary action up to and including termination of employment.

9.4 Emergency Evacuation

In the event of a fire or hazardous material emergency, the emergency fire alarm system should be activated by pulling one of the fire alarms. The source of a potential fire or hazardous material emergency should *not* be investigated. Any employee who suspects an emergency should report it immediately. In any emergency, reporting is the first essential step to protecting oneself and others.

When the emergency fire alarm system is activated, *all* employees and visitors are expected to evacuate the building by exiting in an orderly manner through the nearest exit.

When exiting, employees should not use elevators and should descend stairwells in an orderly manner. After exiting, employees should report to an area away from the building exits that is designated as the meeting location. Once employees arrive at the designated area, they should immediately report to their supervisor or other management member in the absence of their supervisor and remain at that location until accounted for and authorized to leave.

No reentry to the building will be permitted until an official all-clear notification is given.

Employees should review this policy in conjunction with the Company's evacuation procedures and notify Human Resources if they believe they might require an accommodation or assistance in order to comply with these procedures in the event of an emergency.

9.5 Drug-Free Workplace

Chancy Drugs intends to maintain a safe, productive, and comfortable drug-free workplace for employees, applicants for employment, customers, and patients. With this in mind, the company has established a drug-free workplace program. **Reference Appendix A.**

9.6 Company's Right to Search

As noted in other policies within this Handbook, Chancy Drugs wishes to maintain a work environment free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, the Company prohibits the control, possession, distribution, transfer, sale, or use of such materials on its premises to the extent permitted by applicable law. We require the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices are provided for the convenience of employees but remain the sole property of the Company. Employees have no reasonable expectation of privacy for items placed therein. Accordingly, desks, lockers, and other storage devices, as well as any articles found within them, can be inspected by any agent or representative of the Company at any time upon reasonable suspicion, either with or without prior notice.

As an employer, the Company is charged with the duty to protect employees and others from injuries at the hands of employees who pose a known risk of bodily harm to others. Accordingly, to ensure the safety and security of those individuals, and to protect our legitimate business interests, we reserve the right to, upon reasonable suspicion, question and inspect or search any employee or other individual entering or leaving Company premises or job sites. The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, backpacks, and shopping bags. Any non-exempt employee present during any search or inspection must report the time spent during the search or inspection as working time.

These items are subject to inspection and search, upon reasonable suspicion, at any time, with or without prior notice. Employees may be required to consent to reasonable inspection of their personal property and/or person while on duty or on the Company's premises. Any inspection of an individual's person will be limited to a self-inspection, whereby they will be requested to self-inspect their personal property or person by displaying the contents of any packages and/or turning out their pockets, etc., in the presence of a representative of the Company, typically a management employee of the same sex or gender.

9.7 Facility Security

Building Keys

Employees are issued building keys upon hire and are individually responsible for their safekeeping. A Building Key Disbursement Form shall be signed by each employee upon receipt of the key.

Closing the Facility

The last employee to leave the facility is responsible for ensuring all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend settings, and all appliances and lights are turned off (except for security lights).

Employees are not permitted on Company property outside of business hours unless they have received prior authorization from the manager.

Visitors

Restricting access to company premises helps maintain safety standards, protect against theft, ensure security of equipment, protect confidential information, safeguard employee welfare, and avoid potential distractions and disturbances. For this reason, only authorized visitors are allowed in the workplace. All visitors must be escorted at all times by an employee.

Employees being visited are responsible for the actions of their guest(s). Should a guest of an employee act in such a manner that disrupts the normal working conditions of the Company or threatens the security of the Company and/or its employees, the employee accompanying the guest may be held responsible for the guest's actions and subject to disciplinary action, up to and including termination of employment.

Chancy Drugs reserves the right to verify the contents of packages, purses, bags, briefcases, etc. brought onto company premises by visitors.

If an employee suspects or becomes aware of any unusual situation, they should immediately notify a member of management who is on duty or Human Resources.

9.8 Use of Company Equipment and Resources

When using Company equipment, vehicles, or other property, employees are expected to exercise care, maintain the property in safe working order, and follow all operating instructions, safety standards, and guidelines.

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

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repairs could prevent deterioration of equipment and possible injury to employees or others. Employees who have questions about their responsibility for maintenance and care of equipment or vehicles used on the job should consult their supervisor.

All employees are expected to comply with all local, state, and federal laws while operating Company vehicles and other equipment. The Company may discipline employees who engage in unlawful conduct.

Business Equipment and Information Systems Usage

The Company has significantly invested in telephone services, copiers, computers, laptops, tablets, mobile phones, messaging systems, hardware, internet access, email, software, networks, computer accounts, data storage, voicemail, and all other types of business equipment and electronic resources provided by the Company (collectively "Business Equipment and Information Systems" or "Systems"). The Company's Business Equipment and Information Systems are vital to keeping our operations flowing smoothly and effectively.

Monitoring of Business Equipment and Information Systems; No Expectation of Privacy

The Business Equipment and Information Systems provided by the Company, and all information and electronic communications transmitted through, received by, or stored on the Systems are the exclusive property of the Company.

The Company (and/or through its authorized representatives) has the right, without notice, in its sole discretion, to monitor, review, retain, disclose, and/or take any other appropriate actions regarding (collectively, "Monitor") any information and electronic communications transmitted through, received by or stored on its Systems. This includes emails and messages sent or received (whether such emails and messages are related to personal or business matters and/or whether they are sent or received using a Company mail account; a non-Company internet-based account, such as yahoo.com, hotmail.com or gmail.com; or a social networking website); faxes; voicemails; internet and Intranet communications; access and usage; and documents, files or programs stored on the Company's Systems to the fullest extent permitted by law. The Company's rights regarding monitoring its employees' use of the Business Equipment and Information Systems exist whenever an employee uses the Company's Business Equipment and Information Systems, regardless of whether they are working in the office, at home or at another location, and whether or not such use is during official office hours or relates to the Company's business. Thus, at no time should employees believe that they have any expectation of privacy while using any of the Company's Business Equipment and Information Systems.

Employees' use of the Company's Business Equipment and Information Systems constitutes their consent to monitoring by the Company (and/or its authorized representatives). Therefore, employees should not expect privacy or confidentiality in anything they create, download, display, store, send or receive on the Company's Information Systems, even if it has been deleted, password-protected, encrypted or is marked "confidential," "private," "personal," "privileged" or other words or phrases intended to convey it is private. In addition, the use of passwords to gain

access to the Company's Systems is intended solely to protect the security of the Company's business and does not confer an expectation of privacy for individual employees. If an employee wishes to avoid the Company potentially accessing and reviewing their personal communications, documents, files or data, then they should not use the Company's Systems for personal purposes and should not save personal material on the Company's Systems.

Acceptable Use

This policy describes the Company's general guidelines for using its Business Equipment and Information Systems.

Employees should use the Company's Systems with the understanding that these resources are provided for the benefit of the Company's business. Employees may use Company email for personal use, during nonworking time, as long as such use complies with Company rules and policies and applicable laws. Employees should never use the Company's Systems for personal use in a manner that degrades the functionality of those systems or interferes with their work duties or responsibilities to customers.

The following guidelines, which are not all-inclusive, have been established to ensure that employees understand expectations with regard to use of the Company's Business Equipment and Information Systems:

- Employees must comply with the password and other security provisions of the Company's Business Equipment and Information Systems. Employees must not use codes or passwords to gain unauthorized access to other employees' files or to Company files. Employees must not provide access to the Company's Systems to anyone other than employees of the Company who are authorized users and other authorized users.
- Sending, saving, accessing or viewing obscene or vulgar material on the Company's Systems is prohibited. Messages stored and/or transmitted by the Company's Business Equipment and Information Systems must not contain content that may reasonably be considered to be obscene or other patently offensive material, including but not limited to, sexual comments, jokes or images; racial slurs; gender-specific comments; or any comments, jokes or images that would discriminate against or harass someone on the basis of their race, color, sex, age, national origin or ancestry, disability or any other category protected by federal, state or local law. Any use of the Company's Systems to engage in harassment or discrimination prohibited by Company policies is unlawful and strictly prohibited.
- The Company's policies apply fully to the use of the Company's Systems. Any use of the Company's Business Equipment and Information Systems that violates a Company policy is prohibited.
- The Company's Systems must not be used for solicitation purposes during working time. The Company's no solicitation rule applies to the use of the Company's Business Equipment and Information Systems.
- Employees may use software on local area networks or on multiple machines only in accordance with applicable license agreements.

- Employees may not download software and install it on Company Business Equipment and Information Systems. The Company reserves the right to audit any Company computer or equipment to determine what software is installed on the local drive(s).

Computer and Systems Security

All Company Business Equipment and Information Systems and the data stored on them are, and remain at all times, the property of the Company. As such, all messages created, sent or retrieved over the internet or the Company's Business Equipment and Information Systems are the property of the Company, and should be considered Company information. The Company reserves the right to retrieve and read any message composed, sent or received using the Company's Systems for any business reason, including but not limited to, ensuring compliance with this and all Company policies.

Employees should be aware that even when a message is deleted or erased, it is still possible to re-create the message; therefore, ultimate privacy of a message cannot be ensured to anyone. Accordingly, internet, email and other messages are not private. Furthermore, all communications, including but not limited to, text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

Employees should also be aware that duplicates of email or other messages transmitted through a personal, web-based email account using Company equipment could be stored on the Company's Business Equipment and Information Systems; likewise, information regarding internet sites that an employee has accessed may also be stored.

Email and Message Content Screening

The Company maintains the right to screen all inbound and outbound email and other message content (e.g., instant messages) sent or received on the Company's Business Equipment and Information Systems. Messages or attachments that contain obscene or vulgar material may be quarantined and held from transmission or receipt until the sender or recipient can verify the message or attached document is work-related.

If an employee wants to communicate with an attorney or send an otherwise confidential piece of communication that they do not want the Company to monitor, the employee should consider using a personal email address and personal computer equipment. If an employee does use Company Systems, the employee consents to any monitoring by the Company and should understand that there is no right to privacy with respect to such communications, to the extent permissible under applicable law.

Virus Protection

To prevent computer viruses from being transmitted through the system, employees are not authorized to download any software from the internet onto any Company Business Equipment or

Information Systems.

9.9 Inclement Weather/Office Closing

This policy establishes procedures to close or delay the opening of the Company due to hazardous or severe weather conditions, as well as procedures for notifying employees of a closure or delay.

The Owner or the Director of Operations is authorized to decide to close the Company due to hazardous or severe weather. When hazardous or severe weather conditions occur outside of regular business hours, the Pharmacist-in-Charge at each location will make reasonable efforts to notify employees as soon as practicable on or before the day of the closure. When the Company is closed for full days due to hazardous or severe weather, nonexempt employees may use available paid time off for hours not worked. Exempt employees will receive their normal salary in compliance with applicable laws.

On a non-precedent setting basis, the Company may decide to pay nonexempt employees their regular wages when the company is closed for full days due to hazardous or severe weather. Additionally, the Company may provide pay differentials (e.g., hazard pay) for any employee who is *required* to work on a day the company is closed due to hazardous or severe weather. In these situations, the employee may be paid a differential equal to one and one-half (1.5x) the hourly rate. The Pharmacy Owner decides on these special considerations.

Supervisors will notify employees of any delay or closure via various communication methods, such as calls, text messages, emails, and group chat applications.

When hazardous or severe weather occurs during the day, the Owner or the Director of Operations will decide whether to close early. In the event that the Company closes early due to hazardous or severe weather, nonexempt employees will be paid for all hours worked. For hours not worked and not otherwise compensable, nonexempt employees may use available paid time off. Exempt employees who are unable to work due to hazardous or severe weather will receive pay for a normal workday.

When the Company is open, but an employee is unable to report to work because of hazardous or severe weather, the employee should report any delay or absence to their supervisor at the earliest possible time. Employees will be required to use accrued PTO on days when the Company is open, but the employee does not report to work because of inclement weather. For employees who do not have PTO available, nonexempt employees will be paid only for time worked, and exempt employees will not be paid for full-day absences due to inclement weather, when the Company is open.

If the workplace remains open, employees must make a reasonable effort to report to work as scheduled. However, employees should not take unnecessary risks to report to work in unsafe conditions.

9.10 No Solicitation/Distribution of Literature

The Company has established the following rules applicable to all employees and nonemployees that govern solicitation, distribution of written material, and access to company property:

- Employees may engage in solicitation activities only during non-working times. No employee may engage in solicitation during their working time or during the working time of the employee or the employees at whom such activity is directed.
- Employees may distribute or circulate any written or printed material only in nonwork areas during nonworking times. No employee may distribute or circulate any written or printed material in work areas at any time, during their working time, or during the working time of the employee or employees at whom such activity is directed.
- Nonemployees are not permitted to solicit or distribute written material for any purpose on company property.

Strict compliance with these rules is required.

As used in this policy, "working time" includes all time for which an employee is expected to be performing services for Chancy Drugs; it does not include time during which an employee is legitimately not performing services, such as during break periods, meal periods or before or after scheduled work periods.

9.11 Work-Related Injuries or Illnesses

An employee who sustains a work-related injury or illness should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately.

Employees who sustain work-related injuries may receive workers' compensation benefits outlined in the Company's Workers' Compensation Insurance policy. Employees who need to take time off from work due to a workers' compensation illness or injury may also be eligible for a leave of absence under the Company's leaves of absence or reasonable accommodation policies. Employees should contact Human Resources for additional information.

9.12 Workers' Compensation

When work-related accidents, injuries or illnesses occur, employees may be eligible for workers' compensation insurance benefits. Chancy Drugs provides a comprehensive workers' compensation insurance program at no cost to employees and in accordance with applicable state law. This program covers most injuries or illnesses, sustained in the course of employment, that require medical, surgical or hospital treatment. Subject to applicable legal requirements, workers'

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compensation insurance provides benefits or, if the employee is hospitalized, treatment immediately.

Reporting Work-Related Injury or Illness

Employees who sustain a work-related injury or illness should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage.

Leaves of Absence/Accommodation

Employees who need to take time off from work due to a workers' compensation illness or injury may also be eligible for a leave of absence under the Company's leaves of absence or reasonable accommodation policies. Employees should consult with Human Resources for additional information.

Return to Work

Employees who are ready to return to work following a workers' compensation-related leave of absence must supply a certification from a health care provider confirming the employee's ability to return to work.

Fraud

The Company will notify the workers' compensation insurance company if we have reason to believe an employee has supplied false or misleading information in connection with a claim and/or has filed a fraudulent claim. Workers' compensation fraud is a crime and may also be grounds for disciplinary action, up to and including termination of employment.

Section X. Disciplinary Action

The Company has established the following disciplinary process to ensure corrective action is implemented fairly and consistently. The disciplinary process may be used to manage performance issues, poor conduct, repeated mistakes, company policy or standards violations, or any other unacceptable behavior.

10.1 Disciplinary Process

Although it is not possible to list every type of behavior that could result in disciplinary action, behavior or performance deemed unacceptable by the company that does not lead to immediate dismissal may be dealt with in any of the following manners:

- Verbal Warning
- Written Warning
- Final Written Warning with Unpaid Suspension
- Termination

The Company encourages management to first verbally counsel and/or coach employees when unacceptable performance or conduct is exhibited. However, with the counsel of Human Resources, management may determine which type of disciplinary action is most appropriate for the behavior.

The company considers insubordination severe, unacceptable behavior and will support disciplinary action at the final written warning/suspension level for a first offense and termination for a second offense.

10.2 Administrative Leave

An employee who allegedly commits a serious violation of company policy may be placed on paid administrative leave pending an investigation. Following the investigation, the employee may be terminated without any previous disciplinary action having been taken.

10.3 Employment Termination

After the application of disciplinary action, if it is deemed by management that an employee's performance does not improve, or if the employee is again in violation of company practices, rules, or standards of conduct, following a final warning and suspension, employment with the company will be terminated. Nothing in this section limits the right to terminate the at-will employment relationship at any time.

Section XI. Leaving the Company

11.1 Separation from Employment

Employees are employed on an at-will basis. This means that either party may terminate employment at any time, with or without cause or notice. Nothing in this policy is intended to limit or alter the at-will nature of employment.

Employees may leave the Company for a variety of reasons. Regardless of the reason, the Company strives to ensure that all separations from employment are handled fairly, efficiently, and in compliance with applicable federal and state laws.

Reasons for termination include, but are not limited to, the following:

Voluntary Termination

A voluntary termination means an employee has made the decision to end the working relationship with Chancy Drugs. Voluntary resignations include, but are not limited to, written or verbal resignation, retirement (more fully discussed below) and job abandonment. An employee is considered to have abandoned their job if they fail to return to their job within three consecutively scheduled days and have not notified the company of their intention to resign.

The Company prefers that employees voluntarily terminating the employment relationship provide the company with a minimum of two weeks' notice, unless otherwise specified below.

- Pharmacist employees – at least four weeks' advanced notice.
- Management employees – at least six weeks' advanced notice.

Employees must return all keys, uniforms, credit cards, and other company-issued property by the last day of employment.

Employees in good standing who retire or resign from their positions may be eligible for re-hire.

Retirement

The Company has established retirement plans designed to provide certain benefits to eligible employees. Since the type and level of benefits vary according to the terms of each plan and are subject to modification, they are not specifically set forth in this Employee Handbook. Each plan is described in detail in a summary plan description, a copy of which is provided to each employee who is eligible to participate in such plan. Employees should contact Human Resources for additional information that will help to determine eligibility.

Nothing in this policy shall be deemed to modify any employee benefit plan or plans referred to herein or that may subsequently be established.

Involuntary Termination

An involuntary termination occurs when the Company decides to end the working relationship with an employee. Involuntary terminations may occur *for cause* or for reasons *other than cause*.

Involuntary terminations "for cause" include, but are not limited to, terminations for violating company policy, misuse or theft of resources, falsification of information, excessive absences/tardiness or unsatisfactory work performance.

Involuntary terminations for reasons "other than cause" include, but are not limited to, a reduction in workforce.

Pay and Benefits Upon Termination

Final wages will be paid by the next payday following the last day of work. In accordance with Company policy, unused, accrued time shall not be paid out.

11.2 Return of Company Property

Employees are required to return all company property (e.g., computers, vehicles, passwords, uniforms, ID badges, credit cards) that is in their possession or control in the event of termination of employment, resignation, retirement or layoff, or immediately upon the Company's request. When allowed by law, and in accordance with applicable law, the Company may withhold from the employee's paycheck the cost of any items that are not returned when required. No information belonging to the Company may be copied for the employee's use. We may also take all action deemed appropriate to recover or protect company property.

11.3 References/Verifications of Employment

All requests for references must be directed to Human Resources. No other person or department is authorized to release references for current or former employees. Our policy concerning references for employees is to disclose only the dates of employment and the title of the last position held. If an employee authorizes disclosure in writing, we will also provide a prospective employer with information on the amount of the salary or wage last earned.

11.4 Exit Interviews

Before leaving the Company, employees may be asked to participate in a voluntary exit interview. This will provide closure to the employee's employment with Chancy Drugs and will allow the Company to ensure that it has resolved various administrative matters, answered any questions about the continuation of benefits, and listened to any of the employee's comments or ideas about improving the Company's operations.

Appendix A. Drug-Free Workplace Program



Drug-Free Workplace Program

Version 24-02, Approved: 02/2024

Chancy Drugs at its option may change, delete, suspend, or discontinue parts or the policy in its entirety, at any time without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing as well as to future employees.

Drug-Free Workplace Program

Chancy Drug's Drug-Free Workplace Program includes the following:

- A written notice advising applicants and employees that they will be subject to testing. This written notice is provided to candidates on job ads, and within the Conditional Offer Letter. Employees receive written notice advising of testing upon implementation of this program.
- A written policy disseminated to employees explaining:
 - The types of testing that will be conducted;
 - How results will be kept confidential;
 - Disciplinary action that will be taken for confirmed test results or for refusing to take a test; and
 - How to contest the results.
- Pre-employment testing of all applicants after issuing a Conditional Offer of Employment.
- Testing of any employee who is reasonably believed to be using drugs or alcohol based on observable facts; who causes a workplace injury resulting in loss of work time; and after the employee completes a rehabilitation program.
- Proper collection and testing procedures. The company contracts with a collection facility and laboratory who follows all proper collection and testing procedures.
- Maintenance of a resource file of independent assistance providers.
- Semi-annual drug and alcohol abuse training for employees.
- Annual training of supervisors concerning how to handle drug or alcohol abuse and policy violations.

This policy supersedes and replaces all previous oral or written policies, memoranda, or practices relating to the subject matter hereof.

Purpose of Policy

Chancy Drugs (hereinafter referred to as “the company”) intends to maintain a safe, productive, and comfortable drug-free workplace for employees, applicants for employment, customers, and patients. With this in mind, the company has established this drug-free workplace policy.

ADA and FMLA

Applicants or employees who currently use illegal drugs or are affected by alcohol on the job are not protected under the Americans with Disability Act (ADA).

The ADA does protect employees who are seeking treatment or have successfully completed a supervised rehabilitation program and no longer abuse drugs or alcohol. As permitted by federal and Georgia law, employers may test to determine if an employee or applicant for employment is currently using illegal drugs or abusing alcohol.

The Family and Medical Leave Act (FMLA) considers recovery from drug addiction a serious health condition. Treatment under the FMLA may apply in certain situations.

Definitions

Confirmed Drug Test. A second analytical procedure used to identify the presence of a specific drug or metabolite in a specimen, which test must be different in scientific principle from that of the initial test procedure and must be capable of providing requisite specificity, sensitivity, and quantitative accuracy.

Designated Employer Representative or DER. An identified position within the company that is permitted to receive confidential information related to this policy. Confidential information includes drug testing results, and any additional information provided by employees when contesting results, or when requesting assistance under this program.

Initial Drug Test. A sensitive, rapid, and reliable procedure to identify negative and presumptive positive specimens, using an immunoassay procedure or an equivalent, or a more accurate scientifically accepted method approved by the U.S. Food and Drug Administration or the Agency for Health Care Administration as more accurate technology becomes available in a cost-effective form.

Medical Review Officer or MRO. A licensed physician employed or contracted with an employer, who has knowledge of substance abuse disorders, laboratory testing procedures, and chain of custody collection procedures who verifies positive, confirmed test results, and who has the necessary medical training to interpret and evaluate an employee’s positive test result in relation to the employee’s medical history or any other relevant biomedical information.

Restricted Substances. For the purposes of this policy, the term *restricted substances* refers to all abused substances, whether inhaled, injected, or swallowed, including, but not limited to:

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- Alcohol, such as beer, wine, and hard liquor;
- Illegal drugs, such as marijuana, hallucinogens, club drugs (also known as rave or party drugs such as Ketamine, Ecstasy and Rohypnol), and cocaine;
- Prescribed medications taken contrary to how it is prescribed;
- Non-prescribed prescription medication, such as painkillers and barbiturates; and
- Inhalants, such as glue, paint thinner, gasoline, and hair spray.

Specimen. Tissue, hair, or a product of the human body capable of revealing the presence of alcohol and/or drugs or their metabolites, as approved by the U.S. Department of Food and Drug Administration or the Agency for Health Care Administration.

Distribution of Policy

All new employees will receive a copy of this policy upon hire and will be required to sign an acknowledgement that they have read, understood, and will abide by the drug-free workplace policy. Additionally, employees will receive and acknowledge receipt of this policy at periodic updates throughout the year.

Prohibited Behavior

The company explicitly prohibits the use, possession, solicitation, distribution, offer for sale, or being under the influence of restricted substances during work hours, including lunch and breaks, or on company property at any time. Employees are in violation of company policy if they:

- Are impaired or under the influence of restricted substances while working for the company, on or off the premises;
- Report for duty in an altered or impaired condition, as the result of the use of restricted substances; or
- Are convicted of any federal, state, or municipal criminal drug statute, and fail to report the conviction to their supervisor within five (5) calendar days of the occurrence; or
- Are in possession of restricted substances while on company premises; or
- Distribute, solicit, or offer for sale restricted substances while on company premises.

Consumption of Hemp Products, CBD, and Medical Marijuana

The consumption of food and food products containing hemp (cannabis) and CBD products may cause an employee to test positive. A test result that is positive because of an employee's consumption of food or food products containing or made from hemp or hemp products or CBD products will be reported as a positive test and subject the employee to discipline as described in this policy.

For purposes of this policy, medical marijuana is considered a drug. Employees are prohibited from possessing or using medical marijuana while at work or on company property. Additionally, employees are prohibited from reporting to work under the influence of medical marijuana.

Prescription and Non-prescription Medications

Prescription and non-prescription (over-the-counter) drugs may also affect the safety of the employee, fellow employees, and customers and patients. Therefore, any employee who is taking any prescription or non-prescription medication which might reasonably be determined to impair the employee's safety, performance, or any motor functions must advise the immediate supervisor before reporting to work under such medication.

To ensure privacy rights, employees must only disclose the actual or possible side-effects of the medication and shall not identify the medication(s) being used or the reason for its use. Supervisors are prohibited from inquiring as to the type of medication being used or the reason for its use.

The company may change the employee's job assignment during any period where a medical determination has been made that the employee's use of a prescribed medication poses a direct threat to the employee's safety or the safety of another employee, a customer, patient, or a member of the public. If there is not an available job reassignment, the employee may be granted leave, paid or unpaid (dependent upon available PTO), during the period of treatment.

No prescription drug shall be brought on company premises by any person other than the person for whom the drug is prescribed by a licensed medical practitioner, and shall be used only in the manner, combination, and quantity prescribed. Employees must keep all prescribed medicine in its original container, which identifies the drug, date of prescription, and the prescribing doctor.

As Chancy Drugs functions as a facility that fills prescribed and non-prescribed medications, employees who use Chancy Drugs for their medications shall not fill their own prescriptions but shall go through the same process as a non-employee patient. Any employee found to be in possession of the company's drug inventory outside of their regular job duties, including but not limited to controlled substances, shall be found in violation of this policy and subjected to the consequences contained herein.

Types of Testing

Applicant Drug Testing. All applicants will sign a written consent form and submit to a drug testing procedure, free of charge, as a condition of employment. If an applicant tests positive, the applicant will be informed of the test results, but will not be considered for employment.

Employee Drug Testing. The company reserves the right to set standards for employment and may require employees, as a condition of continued employment, to submit to drug testing under the following circumstances:

- *Reasonable Suspicion Testing* - Where there is a reasonable suspicion that an employee is under the influence of a restricted substance, including but not limited to:
 - Direct observation of use of a restricted substance;
 - Evidence of drugs or alcohol on or about the employee's person or work area;
 - A significant deterioration in work performance that suggests impairment;
 - Symptoms of being under the influence of a restricted substance, such as abnormal or erratic behavior or changes in physical appearance;
 - A report of use of a restricted substance, provided by a reliable and credible source; or
 - Newly discovered evidence that the employee has tampered with a prior drug test result.
- *Post-Accident Testing* - Employees involved in an on-the-job accident, especially those for which the employee is deemed at fault.
- *Post-Rehabilitation Program Testing* - For employees who have successfully completed a rehabilitation program, the company requires a negative return-to-duty test before an employee returns to work. After that, testing will be at least once a year for a two-year period after completion of the program. The employee will not receive advanced notice of the testing date.

Refusal to Test

Any employee who refuses a request to submit to testing under this policy may be subject to disciplinary action, up to and including termination. Attempts to alter, substitute, or tamper with the collection of the specimen or failure to appear for testing will be deemed a refusal to take the drug test.

Results of Drug Testing and Contestability

Testing positive is not automatic grounds for termination. When a positive result is obtained, a confirmation test must be conducted by the laboratory. Any employee or job applicant who receives a confirmed positive drug test result may contest or explain the result to the company's MRO within five (5) working days after written notification of the positive test result is received. If an employee or applicant's explanation or challenge of the positive test result is deemed unsatisfactory by the MRO, the MRO will notify the company. The employee or applicant may submit information to the company's DER explaining or contesting the test results and why the results do not constitute a violation of the Company policy. If the employee or applicant's explanation or challenge is unsatisfactory, the employee/applicant will receive written notification within fifteen (15) days after receipt of the explanation or challenge, explaining as to why the explanation is unsatisfactory. A copy of the drug test report may be requested and will be made available upon request.

Furthermore, employees and job applicants may confidentially report to the company's DER or MRO the use of prescription or non-prescription medications both before and after being tested. Additionally, employees have the right to consult with the testing laboratory on technical information regarding prescription and non-prescription medications and their effect on a drug test result.

Inspections

For the purpose of assuring compliance with this policy, employees and their personal or work belongings may be subject to inspection. Searches of an employee's personal property under this policy will take place only in the employee's presence and will occur with the utmost discretion and consideration for the employee involved. Any refusal by the employee to submit to an inspection may be considered an act of insubordination subject to disciplinary action. An employee's work area, desk, files, company vehicle, and similar areas are subject to inspection for restricted substances at any time on a random or any other nondiscriminatory basis for purposes of complying with this policy. Similarly, an employee's personal vehicle, lunch box, personal containers or other personal items brought onto the work site may be inspected for restricted substances. As part of the search, an employee may be asked to empty their pockets if they are suspected of having restricted substances or corresponding paraphernalia on their person. Employee cooperation may be a condition of future employment.

Health Insurance Portability and Accountability Act (HIPAA) and Confidentiality

The results of any drug test will constitute medical information and will remain confidential in accordance with federal law, including the ADA and HIPAA. All information, interviews, reports, and statements received by the company as part of this policy are confidential communications. Unless authorized by law, the company will not release such information without a signed written consent form signed by the person tested.

Disciplinary Action

The severity of the disciplinary action taken against an employee found to violate this policy will depend on the circumstances of each case. However, any violation of this policy may be subject to disciplinary action, up to and including termination.

In the case of a job applicant, the company will refuse to hire any applicant that fails a pre-hire drug screen or that refuses to submit to a pre-hire drug screening, in accordance with this policy.

An employee who is injured in the course and scope of employment and who refuses to submit to a drug or alcohol test will not only be subject to the consequences listed above but will also forfeit eligibility for workers' compensation medical and indemnity benefits.

Employees who are terminated or applicants who have received a refusal to hire in compliance with this policy, shall be considered to have been discharged or refused to hire for cause.

Voluntary Employee Assistance and Rehabilitation

The company supports employees in seeking assistance, including counseling and rehabilitation services. The company will reasonably accommodate employees who wish to enter an alcohol or drug rehabilitation program. Participation in a rehabilitation program is confidential. The company will not use the employee's voluntary participation in a program as a basis for corrective action, nor will participation in such a program jeopardize employment or advancement opportunities. However, participation will not protect employees from disciplinary action for continued unacceptable job performance or rule violations.

Required Rehabilitation

The company may require an employee to enter a drug rehabilitation program as a condition of continued employment after a confirmed positive drug test. However, the company will not be financially responsible for the cost of the employee's treatment. A list of names, addresses, and telephone numbers of local alcohol and drug rehabilitation programs available to employees will be provided upon request.

Time Off

An employee with documentation from a licensed health provider may request a leave of absence to obtain treatment for substance abuse, if such treatment is required and undertaken. The granting and returning from medical leave is subject to the company leave of absence policy.

Supervisor Training

All employees in a supervisory role will receive training on the drug-free workplace policy, including how to identify the signs of drug or alcohol abuse and the proper steps to take should they suspect an employee has a substance abuse problem.

Supervisory Responsibility

Supervisors are a vital component when it comes to helping employees with substance abuse problems. They are in direct contact with employees and, therefore, are more likely to detect issues such as changes in mood or behavior that may indicate substance abuse. Supervisors who suspect that an employee is under the influence of a restricted substance have the responsibility to:

- Inform employees of the drug-free workplace policy;
- Investigate reports of dangerous practices or suspicious behavior;
- Observe and document changes and/or problems in employee performance and behavior;
- Counsel employees as to expected performance improvement;

- Clearly state consequences of policy violations; and
- Contact the Human Resources Department for further assistance.

Employee Education and Awareness

Training on the drug-free workplace policy will be at time of hire and periodically thereafter, and will include:

- An explanation of how employees can get help if they have a drug and/or alcohol problem;
- The consequences of using restricted substances on and off the job;
- The impact of substance abuse on co-workers and the employer, including productivity, absenteeism and safety;
- The procedures of the drug testing program, including the consequences of testing positive; and
- Employees' rights under the law, including confidentiality.

Employee Responsibility

While the use of medically prescribed or over-the-counter medications does not necessarily violate this policy, employees should not take prescription or over-the-counter medication that impairs their ability to perform their job or creates a safety hazard. If they must take medication that adversely affects their job performance, they should seek advice from the Human Resources Department about possible time off or accommodation. Additionally, employees aware of substance abuse by another employee should report this information to their immediate supervisor or the Human Resources Department.

Assistance and Rehabilitation Programs

The following is a list of national alcohol and drug rehabilitation programs.

National Assistance

AIDS Treatment Information Service	1-800-448-0440
Al-Anon/Alateen Family Groups	1-800-356-9996
Alateen	(212) 302-7240
Alcohol and Drug Referral Hotline	1-800-252-6465
Alcoholics Anonymous	1-800-344-2666
American Council on Alcoholism Helpline	1-800-527-5344
800 Cocaine	1-800-COCAINE
MADD (Mothers Against Drunk Driving)	(214) 744-6233
Nar-Anon Family Group Headquarters	(310) 547-5800
Narcotics Anonymous	1-818-773-9999

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National Council on Alcoholism and Drug Dependency
Partnership for a Drug-Free America

1-800-NCA-CALL
(212) 922-1560

Testing Facility, MRO, DER

Testing Facility:

Airport Clinic, Inc.
704 Gil Harbin Industrial Blvd, Valdosta, GA 31601

SGMC Occupational and Industrial Medicine
520 Griffin Ave, Valdosta, GA 31601

Company DER: Kristen Goodin, HR Director
kristengoodin@chancydrugs.com

Additional Information

For additional information or assistance with this program, please contact the Human Resources Director.

The content of this policy does not constitute, nor should it be construed as, a promise of employment or as a contract between Chancy Drugs and any of its employees. Chancy Drugs, at its option, may change, delete, suspend, or discontinue parts of the policy in its entirety, at any time, without prior notice. In the event of a policy change, employees will be notified. Any such action shall apply to existing, as well as future employees. Employees, as a condition of employment, are required to abide by this policy.

Appendix B. Pharmaceutical Industry Business Standards

Government Agency Inspections

From time to time the Company may be visited by representatives of the federal, state, and/or local governments for purposes of conducting inspections and gathering information. It is not unusual for these inspections to be unannounced.

The company will designate an individual who should be promptly contacted when an inspector arrives. If an inspector approaches an employee, either on or off Company property, the person should examine the inspector's credentials, make a record of the inspector's name, title, the name and address of the governmental agency to which the inspector is affiliated, and the date and time of the inspection. This information should be promptly given to the approved Company representative.

Employees are to be courteous to inspectors and fully cooperate. However, information should only be provided to the inspector by the designated Company representative.

Competing with Integrity

Chancy Drugs has worked diligently to create a reputation for quality, service, and honesty. The way employees deal with customers, suppliers, and even competitors shapes the Company's reputation and builds trust. It is imperative that employees maintain the trust of our customers and suppliers by conducting business fairly and ethically.

If there is ever a question of what is fair or ethical, employees should contact their manager for advice.

Antitrust Laws

Chancy Drugs' activities are subject to antitrust and trade regulation statutes, which govern how employees interact with customers, suppliers, and competitors. Some of the most serious antitrust offenses involve agreements between competitors to fix prices, to limit product and service availability, and to allocate customers, territories, and markets. Any such agreement, whether formal or informal, may be unlawful and is prohibited by the Company.

Employees shall avoid involving themselves in situations where unlawful agreements may be inferred. For that reason, contact with competitors should be kept to a minimum. Failure to comply with antitrust laws could subject both the Company and its employees to criminal fines and imprisonment in addition to significant civil penalties.

Truth in Prescription Billing

Chancy Drugs is committed to accuracy in billing for its services to government health programs as well as to private third-party payers. All employees who provide pharmacy service or prepare and submit claims for pharmacy services are expected to comply with all Federal healthcare

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program requirements, including the preparation and submission of accurate billings consistent with the requirements of Federal healthcare programs and with the Company's Policies and Procedures regarding threes programs and private payers.

Employees who fail to comply with Federal healthcare program requirements or with the Company's Policies and Procedures may be subject to disciplinary action up to and including termination. They, as well as the Company, also face the possibility of civil and criminal fines and other punishments for healthcare fraud. Anyone convicted of healthcare fraud also faces the possibility of being placed on the federal exclusion list, which will make them ineligible to participate in any manner in the federally funded healthcare program.

Employees are required to report suspected violations of federal healthcare program requirements or of Company Policies and Procedures regarding those programs or billing to any third-party payers. Employees may report suspected violations to the Operations Manager. All reports will be maintained in confidence to the appropriate extent and no employee will be retaliated against for making the report.