



RED RUN CANNABIS COMPANY

AND AFFILIATED ENTITIES

EMPLOYEE MANUAL

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CONFIDENTIAL | INTERNAL DOCUMENT

Built By Alaskans For Alaskans

About This Manual

This Employee Manual (the “Manual”) is designed to acquaint you with Red Run Cannabis Company and to provide you with information about working conditions, benefits, and policies affecting your employment. For the purposes of this Manual, “Red Run,” “the Company,” “we,” or “our” means Red Run Cannabis Company LLC, Red Run Cannabis Cultivators LLC, KBR LLC, KBR Retail LLC, Red Run Anchorage Holdings LLC, and each of their respective subsidiaries and affiliated entities, collectively and individually.

Red Run is a vertically integrated Alaska cannabis operation comprising retail, cultivation, and manufacturing. The Company holds multiple State of Alaska Marijuana Establishment licenses across its retail locations (RRCo-5455, RRCo-KBR, RRCo-910, RRCo-225, RRCo-36A), standard cultivation facilities, and marijuana product manufacturing facilities.

The information contained in this Manual applies to all Red Run employees across all entities and locations. Following the policies described here is a condition of continued employment. However, nothing in this Manual alters an employee’s at-will status, constitutes a contract of employment, or guarantees employment for any specific period. The Manual is a summary of our policies, presented as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Manual. Our objective is to provide you with a work environment that supports both personal and professional growth.

If you have questions about any policy or procedure, speak with your direct supervisor or contact Marc Theiler, President & CEO.

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SECTION 1 — INTRODUCTION & EMPLOYMENT FUNDAMENTALS

1.01 At-Will Employment

Unless otherwise agreed to in a separate written document entitled “Employment Contract for a Term” signed by an authorized officer of the Company, all employees of Red Run are considered “at-will” employees. This means either the employee or the Company may terminate the employment relationship at any time, for any reason or no reason, with or without cause, and with or without prior notice, to the extent permitted by law.

No supervisor, manager, or representative of the Company other than the President & CEO has the authority to enter into any agreement for employment for a specified period or to make any promises or commitments contrary to this at-will policy. Any such agreement must be in writing and signed by the President & CEO.

Nothing in this Manual, in the Company’s policies, or in any verbal statement by a supervisor or manager creates an express or implied contract of employment, a guarantee of any benefits, or a modification of the at-will relationship.

1.02 Equal Employment Opportunity

Red Run provides equal employment opportunities to all individuals regardless of race, color, religion, creed, sex (including pregnancy, childbirth, lactation, and related medical conditions), sexual orientation, gender identity or expression, national origin, ancestry, age, disability (physical or mental), genetic information, marital status, familial status, veteran or military status, citizenship status, or any other characteristic protected by applicable federal, state, or local law.

This policy governs all aspects of employment, including but not limited to recruitment, hiring, selection, job assignment, classification, compensation, benefits, promotions, demotions, transfers, training, social and recreational programs, discipline, and termination.

Red Run will make reasonable accommodations for qualified individuals with known disabilities, sincerely held religious beliefs, and pregnancy-related conditions unless doing so would result in an undue hardship to the Company (see Sections 1.03, 1.04, and 1.05).

Any employee with questions or concerns about discrimination of any kind is encouraged to bring the issue to the attention of their immediate supervisor, any member of management, or the President & CEO. Employees may raise concerns and make reports without fear of reprisal. Anyone found to have engaged in unlawful discrimination will be subject to disciplinary action up to and including termination.

1.03 Americans with Disabilities Act (ADA/ADAAA) Accommodations

Red Run is committed to complying with the Americans with Disabilities Act (ADA) as amended by the ADA Amendments Act (ADAAA), and applicable Alaska disability discrimination laws. We recognize the value of a diverse workforce and are committed to providing equal employment opportunities to qualified individuals with disabilities.

Reasonable Accommodation. A qualified individual with a disability is a person who meets the legitimate skill, experience, education, and other requirements of a position and who, with or without reasonable accommodation, can perform the essential functions of the job. Red Run will

make reasonable accommodations for the known physical or mental limitations of a qualified individual with a disability unless the accommodation would impose an undue hardship on the Company's operations.

Interactive Process. If you have a disability and believe you need a reasonable accommodation to perform the essential functions of your job, you are encouraged to contact your supervisor or the President & CEO. Red Run will engage in a timely, good-faith interactive process with you to identify and implement effective, reasonable accommodations. You may be asked to provide medical documentation to support your request, and the Company will keep all medical information confidential and maintain it in separate, secure files.

Examples of reasonable accommodations may include (but are not limited to) modifications or adjustments to the work environment, the job application process, the way work is performed, or the benefits and privileges of employment. Examples include modified work schedules, reassignment to a vacant position, acquisition or modification of equipment, accessible facilities, job restructuring, or provision of qualified readers or interpreters.

Red Run will not discriminate against any qualified employee or applicant because of a disability, a history of disability, or a perceived disability. Red Run will not retaliate against any individual for requesting or using a reasonable accommodation.

1.04 Pregnancy & Lactation Accommodations

Red Run is committed to providing reasonable accommodations to employees and applicants affected by pregnancy, childbirth, lactation, and related medical conditions, in compliance with the federal Pregnant Workers Fairness Act (PWFA), the PUMP for Nursing Mothers Act, and applicable Alaska law.

If you are pregnant or have a pregnancy-related medical condition, you may request a reasonable accommodation by contacting your supervisor or the President & CEO. Examples of accommodations may include additional or longer breaks, a modified work schedule, temporary reassignment of certain duties (such as heavy lifting), access to a closer restroom, or leave to attend prenatal appointments.

Lactation Accommodations. Red Run will provide a reasonable break time and a private space (other than a bathroom) for nursing employees to express breast milk during the workday. Employees are encouraged to discuss scheduling needs with their supervisor to minimize disruption while ensuring adequate time for pumping.

Red Run will not require an employee to accept an accommodation that the employee did not request and does not want, and will not deny employment opportunities or retaliate against any individual for requesting or using a pregnancy-related accommodation.

1.05 Religious Accommodations

Red Run respects the religious beliefs and practices of all employees. Red Run will make reasonable accommodations for sincerely held religious beliefs, practices, or observances unless doing so would impose an undue hardship on the Company's operations. Examples of religious accommodations include flexible scheduling for religious observances, voluntary shift

swaps, modifications to workplace practices or policies, and permitted exceptions to dress and grooming standards.

If you require a religious accommodation, please contact your supervisor or the President & CEO to discuss your needs. All requests will be handled on a case-by-case basis through a good-faith interactive process.

1.06 Genetic Information Nondiscrimination (GINA)

In compliance with the Genetic Information Nondiscrimination Act (GINA), Red Run will not discriminate against employees or applicants on the basis of genetic information. Genetic information includes information about an individual's genetic tests, the genetic tests of an individual's family members, the manifestation of a disease or disorder in an individual's family members (i.e., family medical history), and any request for or receipt of genetic services by an individual or a family member.

Red Run will not request, require, or purchase genetic information about employees or their family members, except as specifically permitted by GINA. Any genetic information inadvertently obtained will be kept in a separate, confidential medical file and will not be used in any employment decision.

1.07 Changes in Policy

This Manual supersedes all previous employee manuals and memos issued on subjects covered herein, including the Employee Manual dated July 7, 2024. Because our business and organization are subject to change, Red Run reserves the right to interpret, change, suspend, cancel, or amend, with or without notice, all or any part of the policies, procedures, and benefits described in this Manual. No individual supervisor or manager has the authority to unilaterally change Company policies. If you are uncertain about any policy or procedure, speak with your direct supervisor.

1.08 Employee Classifications

An "employee" is a person who regularly works for Red Run on a wage or salary basis. Employees are classified as follows:

- Exempt: Employees whose positions meet the criteria established by the Fair Labor Standards Act (FLSA) and applicable Alaska law and who are exempt from overtime pay requirements.
- Non-Exempt: Employees whose positions do not meet FLSA exemption criteria and who are entitled to overtime pay at one and one-half times their regular rate of pay for hours worked in excess of 8 in a single day or 40 in a given week.
- Regular Full-Time: Employees who have completed the introductory period and are regularly scheduled to work 35 or more hours per week.
- Regular Part-Time: Employees who have completed the introductory period and are regularly scheduled to work fewer than 35 hours per week.
- Temporary: Employees hired for a defined period or project. Employment beyond an initially stated period does not imply a change in employment status. Temporary employees retain that status until notified in writing of a change.

Benefit eligibility is determined by employee classification as described in Section 6.

1.09 Introductory / Probationary Period

All new employees undergo a 90-day introductory period during which performance, reliability, and fit are evaluated. During this period, the employee is not yet eligible for vacation leave or certain other benefits. At the conclusion of the introductory period, the employee's supervisor will conduct a performance evaluation, after which the employee may be classified as Regular Full-Time or Regular Part-Time depending on performance and scheduling.

Completion of the introductory period does not alter the at-will nature of employment. Both the Company and the employee remain free to end the employment relationship at any time.

SECTION 2 — EMPLOYMENT POLICIES

2.01 Time & Attendance

Red Run requires all employees to maintain accurate time records. The Company uses Intuit Enterprise Suite with Payroll Elite for time and attendance tracking. Employees clock in and out via the Intuit mobile app on their personal phone. Do not clock in or out for another employee under any circumstances — falsification of time records is grounds for immediate termination.

Departments are set up within Intuit as follows: RR-Retail, RR-Cultivation, Manufacturing, KBR-Retail. Always clock into the correct department for the entity you are performing work for on that shift. Unscheduled shift changes require a manager's prior approval.

Red Run recommends that each employee keep a personal backup record of hours worked in the event of any discrepancy.

2.02 Pay Periods & Paydays

Employees are paid bi-weekly on Friday for work performed during the preceding two-week pay period. If a regular payday falls during an employee's vacation or leave, the employee's pay will be available upon return. A written release is required for anyone other than the employee to pick up a paycheck; this release remains in effect until revoked in writing by the employee. Direct deposit is available and encouraged.

2.03 Work Schedules

Red Run will make reasonable efforts to publish work schedules as far in advance as possible and to accommodate employee scheduling needs. However, operational demands may require flexibility. Any employee unable to work a scheduled shift must notify their supervisor at least 24 hours in advance. In emergency situations where 24-hour notice is not possible, employees must notify their supervisor as soon as practicable by phone, text, or in person.

2.04 Overtime

Non-exempt employees are compensated at one and one-half times their regular hourly rate for hours worked in excess of 8 hours in a single workday or 40 hours in a single workweek, in accordance with Alaska Wage and Hour law (AS 23.10.060). A workweek begins Sunday at 12:00 AM and ends Saturday at 11:59 PM.

Overtime must be authorized in advance by a supervisor or manager. Working unauthorized overtime may result in disciplinary action, but Red Run will compensate all hours actually worked regardless of whether overtime was pre-approved.

Note: Employees who perform work for multiple Red Run entities in the same workweek should be aware that hours may be aggregated for overtime purposes if the entities are determined to be joint employers under applicable law. Supervisors and management will work with employees to track hours appropriately across entities.

2.05 Business Expenses, Receipts & Travel

Red Run is required to carefully document all business expenditures. Any employee who uses company funds to make a purchase must (a) have prior authorization from a supervisor or

manager, and (b) retain and submit all supporting documentation — invoices, receipts, packing slips, etc. — the same business day per SOP-000.000.201. There are no transactions too small to document. Employees must turn over all documentation without delay to their manager.

Travel expenses require pre-approval. Reimbursable expenses will be processed in accordance with current Company travel-and-expense policy.

2.06 Purchasing Policy

Any purchase of \$500 or more must be preceded by written quotes from at least three vendors, including the vendor's name, address, written specifications, and price. All quotes, bids, and final purchase records must be maintained on file. Purchases under \$500 still require manager approval and a receipt.

2.07 Absenteeism & Tardiness

Reliable attendance and punctuality are essential to Red Run's operations. Absenteeism and tardiness place a burden on coworkers and on the Company. Employees who cannot avoid being late or absent must notify their supervisor at least 24 hours in advance when possible, and as soon as practicable in all other cases.

An absence of three or more consecutive workdays without notice to a supervisor ("no-call/no-show") will be treated as a voluntary resignation unless the employee can demonstrate that circumstances beyond their control prevented notification. Poor attendance and excessive tardiness are disruptive and may result in disciplinary action up to and including termination.

2.08 Progressive Discipline

Without altering the at-will nature of employment, Red Run generally follows a progressive discipline approach that may include verbal counseling, written warnings, suspension, and termination, depending on the nature and severity of the conduct. Management retains sole discretion to determine the appropriate level of discipline for any particular situation and is not obligated to follow any specific sequence of disciplinary steps.

Certain conduct may result in immediate termination without prior warning, including but not limited to: theft, violence or threats, working under the influence, falsification of records, unlawful transfer of cannabis, serious insubordination, or any conduct that poses a risk to the safety of employees, customers, or the Company's licenses.

2.09 Personnel Records & Data Changes

It is each employee's responsibility to promptly notify their manager of any changes in personal information, including mailing address, phone number, emergency contacts, dependents, and banking information for direct deposit. Accurate and current personnel data is the responsibility of the employee.

Employee personnel files are the property of Red Run and are maintained in a secure location. Access is limited to authorized management and, upon request, to the employee in accordance with applicable law. Medical records, disability accommodation documentation, and genetic information are maintained in separate, confidential files.

2.10 Pay Transparency

Red Run will not discharge, discipline, or in any manner discriminate or retaliate against any employee because the employee has inquired about, discussed, or disclosed their own compensation or the compensation of another employee. This protection extends to discussions among coworkers, with union representatives if applicable, or in the context of filing a complaint or assisting in an investigation. Employees in positions with access to compensation data as part of their job function may not disclose that data to individuals who do not have a legitimate business need for the information, except in the context of a formal complaint, investigation, hearing, or legal proceeding.

2.11 Parking

Employees must park in the spots designated as “Employee Only” as designated by the owner or manager at each location. Customer parking spaces must remain available for customers during business hours.

SECTION 3 — CANNABIS-SPECIFIC POLICIES

3.01 Marijuana Handler Permits

Every licensee, employee, or agent of Red Run who sells, cultivates, manufactures, tests, or transports marijuana or a marijuana product, or who checks the identification of a customer or visitor, must obtain a marijuana handler permit from the Alaska Marijuana Control Board (AMCO) before beginning employment (3 AAC 306.700).

Each employee must have their marijuana handler permit card in their immediate possession (or a valid copy on file on the premises) at all times while on any Red Run licensed premises. Permits are valid for three years and must be renewed before expiration. Red Run tracks permit status in Intuit and CannaOps — employees will receive renewal reminders, but maintaining a current permit is ultimately the employee's responsibility.

A marijuana handler permit course covers: Alaska statutes (AS 17.37 and 17.38) and all AMCO administrative regulations; the effects of marijuana consumption; how to identify an impaired individual; how to verify valid identification; how to intervene to prevent unlawful consumption; and the penalties for unlawful acts by a licensee, employee, or agent.

3.02 Inventory Tracking System (Metrc)

All cannabis propagated, grown, cultivated, manufactured, or sold by Red Run is identified and tracked from seed, clone, or cutting through transfer or destruction using Alaska's mandatory seed-to-sale tracking system, Metrc. All employees are required to understand and properly execute the Metrc tracking system as it applies to their role (3 AAC 306.730).

Key Metrc rules: each plant over 8 inches tall receives an individual tracking number; harvest batches of distinct strains may not exceed 5 pounds; clone or cutting batches are limited to 50 plants and identified by a batch tracking number; every sale, transport, and transfer must be recorded and accompanied by a valid transport manifest.

Errors in Metrc can result in fines, license sanctions, or criminal referrals. If you are unsure how to record a transaction, stop and ask your supervisor before proceeding.

3.03 Customer Identification Protocol

Red Run enforces 100% identification verification. Every person entering a retail location must present a valid, unexpired, government-issued photo ID proving they are 21 years of age or older. Acceptable forms include: an unexpired passport; an unexpired driver's license or ID card issued by any U.S. state or territory, the District of Columbia, or a Canadian province; or an ID card issued by a federal or state agency authorized to issue driver's licenses or IDs.

Employees must check ID at the door upon entry AND again at the point of sale before completing any transaction. Random floor-level ID checks are required during high-traffic periods. Resolve all doubts in favor of denying the sale (3 AAC 306.350).

3.04 Single Transaction Limits

Red Run employees may not sell in a single transaction a combination of items exceeding:

1. More than one ounce of usable marijuana.

2. More than seven grams of marijuana concentrate for inhalation.
3. Marijuana or marijuana products if the total THC content exceeds 5,600 milligrams.

Exceeding these limits in a single transaction is a regulatory violation under 3 AAC 306.355.

3.05 Preventing Diversion to Minors

Diversion of cannabis to minors is the single most serious regulatory and ethical violation in our industry. Red Run enforces the following controls:

4. 100% customer ID verification at the door and at the point of sale.
5. Strict enforcement of per-transaction limits.
6. Monitoring for underage passengers in vehicles who do not enter the store.
7. Recognition and detection of proxy purchasers (“shoulder tapping”).
8. Progressive exclusion for anyone found diverting to minors: first offense = 3-month ban; second offense = permanent ban. Serious first offenses may result in immediate permanent exclusion at the Company’s discretion.
9. Full cooperation with AMCO and law enforcement in compliance stings.
10. Child-resistant packaging on all products leaving the retail floor.
11. Any indication that a customer is purchasing for or planning to share with a minor must be reported to management immediately. Employees have the authority to decline any sale in this situation.

3.06 Customers Under the Influence

Red Run employees may not sell marijuana or a marijuana product to a customer who appears to be under the influence of alcohol, marijuana, or any other controlled substance (3 AAC 306.310). Signs include very bloodshot eyes, slurred speech, unsteady gait, fumbling, odor of alcohol or cannabis, attention problems, or inappropriate behavior. When in doubt, decline the sale and notify a manager.

3.07 Samples for Customer Observation

Red Run may provide customers a sample jar containing not more than 4 grams of cannabis, protected by a plastic or metal mesh screen, for the customer to smell before purchase. The employee who hands the sample to a customer must watch the customer at all times until the sample is returned. Customers may not open the sample jar or remove any cannabis. Consult your manager if uncertain about sampling policy.

3.08 Business Records & Record Retention

Red Run is required by Alaska law (3 AAC 306.755) to maintain detailed business records including: books and records for the current year and three preceding calendar years (last six months on-premises); a current employee list with marijuana handler permit numbers; vendor contact information for surveillance and alarm systems; advertising and marketing records; licensed premises diagrams; restricted access area visitor logs; tax records; comprehensive inventory tracking records; and all transportation records.

Employees must cooperate in maintaining accurate, complete, and current records at all times. Loss of records does not excuse a violation of record-keeping requirements.

3.09 Restricted Access Areas (RAAs)

Any area of a Red Run licensed premises where marijuana or a marijuana product is grown, processed, tested, stored, or stocked is a Restricted Access Area (RAA) (3 AAC 306.710). Each entrance to an RAA must be posted with signage reading “Restricted access area. Visitors must be escorted.”

All employees working in or near RAAs must wear a current Red Run identification badge bearing their photograph at all times. No person under 21 may enter an RAA under any circumstances.

3.10 Visitor & VIP Protocol

No visitor may enter an RAA without (a) presenting valid 21+ photo ID, (b) signing the Visitor Log, (c) receiving a numbered Red Run Visitor Badge to be worn visibly at all times, and (d) being escorted continuously by a Red Run employee. No more than five visitors may be escorted at one time by any single employee.

After the visit, the visitor returns the badge, and the escorting employee logs the visitor out with date and time of exit.

VIPs, media, tour guests, or any person claiming special access must be politely referred to a manager or owner. No employee may admit anyone into an RAA without supervisor or owner approval. This protocol applies to in-person, phone, email, and text requests alike. Family members and personal visitors should not be entertained at Red Run during working hours. Persons under 21 are prohibited on the premises at all times, even if accompanied by an adult.

3.11 AMCO Inspections

Inspections by the Alcohol and Marijuana Control Office (AMCO) or its agents are legally mandated and Red Run welcomes them. If any person believed to be associated with AMCO arrives at a Red Run facility, immediately refer them to a manager or the President & CEO (if present). All employees are required to cooperate fully with AMCO inspectors and to provide access to any area, record, or system requested (3 AAC 306.800). Do not volunteer information beyond what is asked, but never obstruct, mislead, or delay an inspection.

3.12 Surveillance & Video Retention

Red Run operates continuous video surveillance as required by law (3 AAC 306.720). Cameras cover all RAAs, all entrances (interior and exterior), all points of sale, and any area where marijuana is grown, cured, manufactured, or destroyed. All recorded images must clearly display the time and date, and must be archived in a format that does not permit alteration.

Retention: All surveillance recordings must be preserved for a minimum of 40 calendar days. After 40 days, recordings may be erased unless the Company knows or should know of any pending criminal, civil, or administrative investigation for which the recording may be relevant.

No employee may access, copy, release, or share surveillance footage, photos, or video without written permission from a manager or owner. Court orders or subpoenas for surveillance material must be referred immediately to management.

3.13 Business Hours

Red Run retail locations are typically open from 8:00 AM to midnight, seven days a week, unless modified by local regulation or management decision. Some employees may work before or after posted hours depending on operational needs. Under no circumstances may any retail transaction occur between 5:00 AM and 8:00 AM (3 AAC 306.310).

SECTION 4 — STANDARDS OF CONDUCT

4.01 Employee Conduct & Work Rules

Red Run expects employees to conduct themselves professionally, honestly, and ethically at all times. As employees of a cannabis company, we have an additional responsibility to model appropriate social and professional behavior to the communities we serve.

The following are examples of conduct that may result in disciplinary action up to and including termination. This list is illustrative, not exhaustive:

- Theft, misappropriation, or unauthorized removal or possession of Company or customer property.
- Falsification of time records, applications, reports, or any other Company document.
- Working under the influence of alcohol, marijuana, or any other controlled substance.
- Unlawful transfer of cannabis on or off Company premises.
- Fighting, threatening violence, or engaging in intimidating behavior in the workplace.
- Insubordination, disrespect, or refusal to follow a lawful directive from a supervisor.
- Violation of safety, health, or regulatory rules.
- Sexual harassment or any other form of unlawful harassment or discrimination.
- Possession of weapons, explosives, or other dangerous materials on Company premises.
- Excessive absenteeism, no-call/no-show absences, or unauthorized absence from work.
- Unauthorized use of Company phones, computers, mail systems, or equipment.
- Violation of the NDA or disclosure of Confidential Information.
- Any conduct that jeopardizes a Red Run marijuana establishment license.

4.02 Non-Disclosure & Confidentiality

All employees are required to sign a Non-Disclosure and Confidentiality Agreement (NDA) as a condition of employment. The protection of confidential business information and trade secrets is vital to Red Run's interests. Confidential information includes (but is not limited to): compensation data, financial information, customer and vendor information, market strategies, proprietary production processes, extraction methods, formulations, SOPs, personnel records, tax information, surveillance footage, Metrc data, and any information about pending transactions or restructuring.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action up to and including termination and legal action, regardless of whether the employee personally benefits from the disclosure. See the Red Run NDA v3.0 for full terms.

4.03 Non-Competition & Non-Solicitation

No employee may work simultaneously for another licensed marijuana establishment in Alaska without prior written permission from the President & CEO. Any changes in outside employment at another marijuana establishment must be reported to management within 24 hours.

Non-Solicitation. During employment and for twelve (12) months after separation, employees who had access to confidential information may not use that information to solicit Red Run employees, customers, wholesale buyers, or vendors. See the Red Run NDA v3.0 for complete terms.

4.04 Prohibition on Medical or Legal Advice

Red Run strictly prohibits all employees from providing health or medical advice, opinions on research, or claims that specific strains, products, or dosages have specific therapeutic effects. Retail budtenders may not give any customer medical or legal advice of any kind. If a customer asks a medical question, direct them to consult with their healthcare provider.

4.05 Dress Code & Personal Appearance

Employees are expected to present a clean, neat, professional appearance appropriate to their role. Employees who appear for work inappropriately dressed will be sent home to change without compensation for the time away.

Cultivation and manufacturing employees in contact with cannabis must comply with Alaska health and safety standards (3 AAC 306.440), including: wearing clean clothing appropriate for their duties; wearing protective apparel (head, face, hand, and arm coverings) as necessary to prevent contamination; and practicing good sanitation and health habits.

Accommodations for sincerely held religious beliefs, disability-related needs, and medical conditions will be made in accordance with Sections 1.03, 1.04, and 1.05.

4.06 Drug-Free & Alcohol-Free Workplace

Despite the fact that Red Run cultivates and sells cannabis, the consumption of alcohol, cannabis, or other non-prescribed controlled substances while working or on any Red Run premises is strictly prohibited. Being under the influence of drugs or alcohol while working may result in immediate termination or an order to leave the premises.

This policy does not prohibit the lawful use of prescribed medications. If a prescribed medication may affect your ability to safely perform your job, you must notify your supervisor before beginning work so that appropriate accommodations can be considered.

4.07 Tobacco & Vaping

No person is allowed to smoke or vaporize any substance within any Red Run legally licensed facility boundary. Employees who smoke tobacco during a break must do so at least 30 feet from the building, in a designated area if one has been established by the location manager.

4.08 Building Security

All employees who are issued keys, fobs, or access codes to any Red Run facility are responsible for their safekeeping and must sign a Key Disbursement form upon receipt. Sharing keys, fobs, or access codes with unauthorized individuals is prohibited. A designated closing employee is responsible for ensuring that all doors are locked, the alarm system is armed, thermostats are appropriately set, and all appliances and lights (except security lighting) are turned off. No employee may be on the premises after hours without prior authorization.

4.09 Social Media & Electronic Communications

Red Run respects employees' right to use social media on their personal time. However, employees are expected to exercise good judgment and remember that online conduct may reflect on the Company. The following guidelines apply:

- Do not post photos or videos of Red Run's restricted access areas, security systems, cultivation or manufacturing operations, or customer transactions on any social media platform without prior written authorization.
- Do not disclose Confidential Information (as defined in the NDA) on any social media platform.
- Do not make statements that could reasonably be interpreted as representing the official position of Red Run unless you are authorized to do so.
- Be respectful and professional. Harassing, threatening, discriminatory, or defamatory posts directed at co-workers, customers, vendors, or the Company are prohibited.
- Do not use Company equipment, accounts, or email addresses for personal social media activity.

Nothing in this policy is intended to interfere with employees' rights under the National Labor Relations Act, including the right to discuss wages, hours, and other terms and conditions of employment with coworkers (see Section 2.10, Pay Transparency).

4.10 No-Loitering Policy

Employees must monitor the interior and exterior of all facilities for individuals lingering beyond a reasonable time. If a customer loiters for an unreasonable duration, politely ask them to leave and, if necessary, have a manager escort them from the premises. Of particular concern are vehicles in the parking lot with anyone under 21 who remained while a purchaser entered the store. Retail transactions should generally be completed within 20 minutes.

4.11 Emergency Response & Robbery Protocol

The safety of employees and customers is the highest priority. In the event of a robbery — armed or otherwise — employees must cooperate fully with the perpetrators to resolve the situation as quickly and safely as possible. Do not resist, argue, or attempt to detain. After the perpetrators leave, call 911 immediately, secure the premises if safe to do so, and report the incident to management.

No firearms or weapons are permitted on any Red Run premises.

For medical emergencies, fire, or other threats, call 911 first, then notify management. Each facility has posted evacuation routes and emergency contacts. Know yours.

4.12 Motion Detectors & Panic Buttons

Red Run facilities are equipped with motion detectors, door/window sensors, and panic buttons as required. Any employee who notices a malfunction in any security system must report it immediately to a manager. Local law enforcement is automatically notified when a breach detection device is triggered. Employees must cooperate fully with law enforcement upon their arrival.

4.13 Health & Illness Protocols

A healthy work environment is essential to both employee welfare and the quality of our products. Alaska law (3 AAC 306.735) requires that any person who has an illness, open sore, infected wound, or other potential source of infection must not come in contact with marijuana or a marijuana product while the condition persists.

If you are ill, have a communicable condition, or have symptoms that could affect product safety or other employees, you must notify your supervisor before reporting to work. Red Run will not retaliate against any employee for reporting illness or requesting leave related to a health condition. Employees returning from illness may be required to provide a fitness-for-duty statement from their healthcare provider.

All employees working in direct contact with cannabis must: maintain adequate personal cleanliness; wash hands thoroughly before starting work, after using restroom facilities, and any time hands become soiled or contaminated; and follow all posted hygiene protocols.

4.14 Pest Contamination Protocol

Maintaining a pest-free environment is critical to cultivation and manufacturing quality. All employees must follow hygiene, grooming, and clothing requirements, and must minimize the time exterior doors are left open. Any employee who observes evidence of insects, pests, mold, or other contaminants must report the finding immediately to their supervisor. Do not attempt to treat the problem yourself without specific authorization and training.

SECTION 5 — ANTI-DISCRIMINATION, HARASSMENT & WHISTLEBLOWER PROTECTIONS

5.01 Anti-Discrimination Policy

Red Run is committed to providing a work environment free from discrimination. As stated in Section 1.02, the Company prohibits discrimination on the basis of any protected characteristic under federal, state, or local law. This policy applies to all aspects of the employment relationship, including recruitment, hiring, compensation, benefits, promotions, training, discipline, and termination.

Red Run maintains zero tolerance for discrimination. Any employee who believes they have been subjected to or have witnessed discrimination should report the matter immediately per Section 5.03.

5.02 Anti-Harassment Policy (Including Sexual Harassment)

Red Run is committed to a work environment free from all forms of harassment, including harassment based on race, color, religion, sex, sexual orientation, gender identity, national origin, age, disability, genetic information, or any other protected characteristic.

Sexual harassment is a particularly serious form of prohibited harassment. Sexual harassment includes, but is not limited to:

- Unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature.
- Quid pro quo harassment: conditioning employment, benefits, or advancement on submission to sexual conduct.
- Hostile work environment: conduct that is severe or pervasive enough to create an intimidating, hostile, or offensive work environment.

Examples of conduct that may constitute harassment include: unwanted touching or physical contact; sexual jokes, comments, or innuendo; displaying or distributing sexually explicit material; derogatory comments or slurs based on a protected characteristic; threats, intimidation, or bullying; and staring, leering, or making sexual gestures.

Harassment by anyone in the workplace is prohibited — supervisors, coworkers, vendors, customers, contractors, and visitors.

5.03 Reporting Discrimination or Harassment

Any employee who believes they have experienced or witnessed discrimination or harassment of any kind should report the matter promptly to any of the following:

12. Their immediate supervisor (if the supervisor is not the subject of the complaint).
13. Any other member of management.
14. The President & CEO (Marc Theiler).

If the employee is uncomfortable reporting to anyone within the Company, the employee may also contact the Alaska State Commission for Human Rights (ASCHR), the Equal Employment

Opportunity Commission (EEOC), or any other applicable government agency (see Section 5.05 for protected-activity rights).

Reports may be made verbally or in writing. Red Run will take all complaints seriously, investigate promptly and thoroughly, and take appropriate corrective action. The Company will make every reasonable effort to maintain confidentiality, though absolute confidentiality cannot be guaranteed due to the need to investigate and take appropriate action.

5.04 Investigation & Resolution Process

Upon receipt of a complaint, the Company will promptly initiate an investigation appropriate to the circumstances. The investigation may include interviews with the complainant, the accused, and any relevant witnesses, as well as a review of any documentary or physical evidence. The complainant and the accused will be informed of the outcome of the investigation.

If the investigation confirms that harassment, discrimination, or retaliation has occurred, the Company will take prompt remedial action commensurate with the severity of the offense, up to and including termination. The Company may also take intermediate actions such as reassignment, schedule adjustment, or suspension pending investigation.

5.05 Anti-Retaliation & Whistleblower Protections

Red Run maintains a strict no-retaliation policy. No employee will be subjected to adverse employment action — including but not limited to termination, demotion, suspension, reduction in hours, or harassment — for any of the following:

- Reporting in good faith any suspected violation of law, regulation, or Company policy (including discrimination, harassment, safety concerns, regulatory violations, or financial irregularities).
- Filing a charge or complaint with, communicating with, or participating in any investigation or proceeding conducted by any government agency (EEOC, NLRB, OSHA, SEC, AMCO, Alaska Department of Labor, or any other federal, state, or local agency).
- Exercising rights under the National Labor Relations Act, including discussing wages, hours, or other terms and conditions of employment with coworkers.
- Making truthful statements regarding alleged sexual harassment, sexual assault, or other unlawful harassment or discrimination, consistent with the Speak Out Act and applicable Alaska law.
- Making disclosures protected under the federal Defend Trade Secrets Act (see NDA v3.0, Section 7).
- Requesting or using a reasonable accommodation for a disability, pregnancy, or religious belief.
- Cooperating with a lawful investigation by any government entity.

Any employee who believes they have been retaliated against should report the matter immediately using the reporting channels described in Section 5.03. Retaliation itself is a serious violation of Company policy and may be grounds for immediate termination, regardless of whether the underlying complaint is ultimately sustained.

SECTION 6 — COMPENSATION & BENEFITS

6.01 Workers' Compensation Insurance

Red Run maintains workers' compensation insurance as required by Alaska law. All work-related injuries, illnesses, or accidents must be reported immediately to a supervisor or manager, regardless of how minor they appear. Employees must cooperate with the Company and its insurance carrier in the event of a claim.

6.02 Medical Leave

Red Run provides unpaid medical leave to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, a "serious health condition" includes inpatient care; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related conditions.

Eligibility: Employees may request medical leave after completing twelve continuous months of employment. Exceptions may be made to accommodate disabilities.

Notice: Requests should be made at least 30 days in advance for foreseeable events and as soon as possible for unforeseeable events. A healthcare provider's statement verifying the need for leave and expected return date is required. Employees returning from medical leave must submit a fitness-for-duty statement.

Duration: Employees are normally granted leave for the period of disability, up to a maximum of twelve (12) weeks within a twelve-month period, consistent with applicable law. Any combination of medical leave and family leave may not exceed this limit. Married couples employed by Red Run may be subject to combined limits where applicable.

If an employee fails to return to work at the end of the approved leave period without notifying management, Red Run will assume the employee has voluntarily resigned.

Note: If Red Run meets the employee-count threshold for the federal Family and Medical Leave Act (FMLA) at the time of the request, FMLA provisions will apply. Consult with management for current applicability.

6.03 Family Leave

Red Run provides unpaid family leave to eligible employees who need time off to fulfill family obligations relating to childbirth, adoption, foster-child placement, or to care for a child, spouse, or parent with a serious health condition.

Eligibility, notice, and documentation requirements mirror those of medical leave (Section 6.02). **Duration** may not exceed twelve (12) weeks in combination with medical leave within a twelve-month period, consistent with applicable law.

6.04 Bereavement Leave

Red Run recognizes the importance of allowing employees time to grieve and attend to family matters following the death of a close family member. Regular full-time and part-time employees who have completed the introductory period may request up to three (3) paid days of bereavement leave for the death of an immediate family member (spouse, domestic partner,

child, parent, sibling, grandparent, or grandchild) and up to one (1) paid day for an extended family member or close personal relationship, at the manager's discretion.

Additional unpaid time may be granted on a case-by-case basis. Employees should notify their supervisor as soon as practicable.

6.05 Wage & Salary Reviews

Each employee's compensation will be reviewed at least once per year, typically on or about the anniversary of the employee's hire date or last compensation review. Reviews may be conducted more frequently for newly created positions or after a promotion.

Increases are based on individual performance, adherence to Company policies, and the ability to meet or exceed job responsibilities. Red Run does not grant automatic "cost of living" increases. Performance is the primary driver of wage increases.

6.06 Vacation Leave

Vacation leave accrual for regular full-time employees:

- Years 1–2: One week (40 hours) per year.
- Years 3–5: Two weeks (80 hours) per year.
- Years 6+: Three weeks (120 hours) per year.

Holiday leave is unpaid unless otherwise designated by the Company. Vacation leave requests must be approved in advance by the employee's supervisor. Seniority and operational needs will be considered when granting vacation requests. Vacation leave does not carry over from year to year unless otherwise approved in writing by the President & CEO.

6.07 Jury Duty & Military Leave (USERRA)

Jury Duty: Employees summoned for jury duty will be granted time off. Regular full-time and part-time employees will be kept on the active payroll until civic duties are completed. Employees must provide a copy of the jury summons to their manager.

Military Leave: Red Run complies with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Employees who serve in the uniformed services are entitled to leave and reemployment rights as provided by law. Employees should provide advance notice of military service when possible. Red Run will not discriminate against any employee for past, current, or future military obligations.

6.08 Educational Assistance & Professional Development

Red Run values the skills and knowledge of its employees and encourages personal and professional development. The Company may offer educational assistance, including GED program support and tuition reimbursement, on a case-by-case basis. Employees interested in continuing education or job-specific training should discuss opportunities with their supervisor and obtain approval before enrolling.

SECTION 7 — SEPARATION & EXIT

7.01 Voluntary Resignation

Employees who voluntarily resign are asked to provide at least two weeks' written notice to their supervisor. Notice allows the Company to plan for a smooth transition. Red Run reserves the right to accept the resignation effective immediately and to compensate the employee for the notice period at its discretion.

7.02 Involuntary Termination

Red Run retains the right to terminate employment at any time, for any reason or no reason, consistent with the at-will nature of employment (Section 1.01). Terminations may result from performance issues, conduct violations, restructuring, reduction in force, or other business reasons. The Company may exercise progressive discipline but is not obligated to do so.

7.03 Return of Company Property

Upon separation for any reason, employees must return all Company property in their possession, including but not limited to: keys, badges, uniforms, tools, devices, documents, files, Metrc tags, and any materials containing Confidential Information. Failure to return Company property may result in legal action and/or deductions from final pay to the extent permitted by Alaska law.

7.04 Final Pay

Employees who are terminated involuntarily will receive their final paycheck within three business days of termination, or by the next regular payday, whichever is earlier, in accordance with Alaska Wage and Hour law (AS 23.05.140). Employees who resign with at least three days' notice will receive their final paycheck by the next regular payday.

7.05 Post-Employment Obligations

All obligations under the NDA, including confidentiality, non-solicitation, return of materials, and protection of trade secrets, survive the termination of employment for the periods specified in the NDA. Former employees with questions about their post-employment obligations should contact the President & CEO.

SECTION 8 — ACKNOWLEDGMENTS

8.01 Employee Acknowledgment of Receipt & Responsibilities

All new and existing employees must sign the Employee Acknowledgment Form (Appendix B) confirming they have:

15. Received a copy of this Employee Manual and will read it in its entirety.
16. Read and agreed to the Red Run Code of Ethics (Appendix A).
17. Signed the Non-Disclosure and Confidentiality Agreement (NDA v3.0).
18. Agreed to report any criminal conviction during their employment.
19. Agreed to cooperate in any inspection conducted by AMCO or its agents.
20. Agreed to check photo ID for 100% of transactions (retail employees).
21. Agreed not to sell to anyone under 21 or anyone who appears intoxicated.
22. Understood and acknowledged the at-will nature of their employment.

Red Run documents all training hours, counseling, positive performance, and corrective actions. Annual performance evaluations will be conducted for all employees.

APPENDIX A — CODE OF ETHICS

Red Run Cannabis Company and its affiliated entities pledge to conduct all business operations in a manner consistent with the following ethical principles. Every Red Run employee is expected to embody these standards:

- We will conduct our affairs in a manner that simultaneously enhances public safety and individual liberty.
- We will not advertise in a manner that depicts, encourages, or condones illegal behavior, over-consumption by adults, or any consumption by minors.
- We will insist that our customers never consume cannabis and operate a vehicle, or engage in any other dangerous activity, while under its influence.
- We will insist that our customers never transfer cannabis products of any kind to any minor or to any person not legally entitled to possess cannabis.
- We will package all products in child-resistant packaging to help adults safely and responsibly possess cannabis.
- We will never sell any cannabis product to a person who appears to be under the influence of alcohol or other substances.
- We will sell retail cannabis products only for personal use, never for resale.
- We will treat every customer, employee, vendor, and community member with dignity and respect.
- We will comply with all applicable federal, state, and local laws and will cooperate fully with regulatory authorities.

APPENDIX B — EMPLOYEE ACKNOWLEDGMENT FORM

I acknowledge that I have received a copy of the Red Run Cannabis Company Employee Manual (Version 2.0, effective April 2026). I understand that I am responsible for reading the Manual in its entirety and for complying with the policies, procedures, and standards set forth therein.

I understand that this Manual is not a contract of employment and does not create any contractual obligations, express or implied. I understand that my employment is at-will, meaning that either I or the Company may terminate the employment relationship at any time, for any reason, with or without cause or notice.

I understand that Red Run reserves the right to change, modify, suspend, or revoke any policy, procedure, or benefit described in this Manual at any time, with or without notice.

I acknowledge that I have read and agree to the Code of Ethics (Appendix A) and have signed the Non-Disclosure and Confidentiality Agreement (NDA v3.0) as a separate document.

I agree to report any criminal conviction during the course of my employment. I agree to cooperate in any inspection conducted by AMCO or its agents. I agree to comply with all Company policies and applicable laws and regulations.

Employee Signature

Date

Printed Name

Position / Department

Hiring Entity (RRCo / RRCu / KBR / RRAH)

Location

APPENDIX C — REGULATORY REFERENCE GUIDE

The following table lists the key Alaska statutes and regulations governing Red Run’s operations. Full text of all statutes and regulations is available at www.commerce.alaska.gov/web/amco and through the Alaska Legislature’s website. This reference guide replaces the prior practice of reprinting full statutory text in the Employee Manual.

Citation	Subject	Summary
AS 17.38	Alaska Marijuana Regulation	The foundational ballot initiative legalizing and regulating commercial cannabis in Alaska.
AS 17.37	Medical Marijuana	Alaska’s medical marijuana law (maintained alongside AS 17.38).
3 AAC 306.300–360	Retail Regulations	Licensing, privileges, prohibited acts, testing, packaging, labeling, ID requirements, and transaction limits for retail marijuana stores.
3 AAC 306.400–480	Cultivation Regulations	Licensing, privileges, prohibited acts, health/safety, inventory tracking, testing, packaging, labeling, and tax requirements for cultivation facilities.
3 AAC 306.500–570	Manufacturing Regulations	Licensing, privileges, prohibited acts, extraction methods, and product manufacturing standards.
3 AAC 306.600–660	Testing Regulations	Standards and requirements for marijuana testing facilities.
3 AAC 306.700	Marijuana Handler Permits	Requirements for all persons working at marijuana establishments.
3 AAC 306.710	Restricted Access Areas	Requirements for securing and controlling RAAs.
3 AAC 306.715–720	Security & Surveillance	Alarm systems, locks, and video surveillance requirements.
3 AAC 306.735	Health & Safety	Sanitation, hygiene, storage, and contamination prevention standards.
3 AAC 306.750	Transportation	Rules for transporting cannabis between licensed establishments.
3 AAC 306.755	Business Records	Record-keeping requirements for all marijuana establishments.
3 AAC 306.800	Inspection & Investigation	AMCO’s inspection authority and employee cooperation requirements.

IRC § 280E	Federal Tax — Cannabis	Disallows most deductions for cannabis businesses; only COGS deductible.
PWFA (2023)	Pregnant Workers Fairness Act	Requires reasonable accommodations for pregnancy-related conditions.
PUMP Act (2022)	Nursing Mothers	Requires break time and private space for expressing milk.
USERRA	Military Leave	Employment and reemployment rights for uniformed services members.
ADA/ADAAA	Disability Accommodation	Prohibits discrimination, requires reasonable accommodation for qualified individuals.
GINA	Genetic Information	Prohibits discrimination based on genetic information.
DTSA (2016)	Defend Trade Secrets Act	Federal trade secret protections and whistleblower immunity notice requirements.

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