

O. PENVAPE WORKPLACE IMPAIRMENT POLICY

The Company has vital interests in ensuring a safe, healthy and efficient working environment for our employees, and their co-workers and the clients we serve. The unlawful or improper presence or use, or being under the influence, of controlled or impairing substances in the workplace or while conducting company business presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the Company the following impairment policy.

Employees are prohibited from reporting to work or working while using or being under the influence of any illegal drug or controlled substance, except when the use is pursuant to a doctor's orders and the doctor advised the employee that the drug or substance does not adversely affect the employee's ability to safely perform his or her job duties.

The Company supports an employee's freedom to choose legal substances in their off-work time. However, employees are prohibited from consuming legal but impairing substances, including cannabis and alcohol, during working hours, including during meal and break periods. This does not include the legal, authorized and responsible use of cannabis and alcohol at Company-sponsored functions or activities.

Employees taking prescription medication or controlled substances (cannabis) for an illness or other legitimate medical need must notify their direct supervisor in writing of any possible effects of the medication which may impair the individual's physical or mental capabilities, and/or impair their ability to perform their job functions. The notification should also include the length of time the employee is expected to take the medication or controlled substance. This written information must be given to the direct supervisor before the employee starts work. All medical information will be kept confidential, and any breach of privacy and confidentiality will be addressed. Employees need not disclose the medical condition requiring the use of such prescription medication(s).

Consistent with its Equal Employment Opportunity & Anti-Harassment policy, the Company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting treatment for substance abuse conditions. We encourage employees to seek assistance before their substance or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. The Company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence and other measures consistent with the Company's policies and applicable federal, state or local laws.

Your employment or continued employment with the Company is conditioned upon your full compliance with the foregoing impairment policy. Any violation of this policy may result in disciplinary action, up to and including discharge.

Impairment Testing Policy

The Company recognizes that certain circumstances might trigger the need for impairment testing, including specifically when employees hold certain "Safety Sensitive Positions" within the Company. The Company is also sensitive to civil liberties concerns implicated by testing, and the perception of

asking employees to "prove their innocence" through a drug test. The Company further acknowledges that factors other than controlled or impairing substances, such as stress, sleep deprivation, and personal difficulties, can impair an employee's ability to perform the essential functions of their jobs.

The Company welcomes all comments and suggestions on this impairment testing policy, which will remain subject to amendment as often as needed to achieve an appropriate balance between overreaching intrusiveness and ensuring that the workplace is a safe and productive environment. With these considerations in mind, the Company has developed the following tiered impairment testing policy.

Impairment testing, when deemed appropriate to use (see below), and after a baseline has been established, may take place in two stages. First, employees may be asked to perform a computer-based impairment testing administered by a company specified and approved by management. The Company has designated Bowles-Langley Technology as an initial approved computer-based impairment test provider. The Company is not responsible regarding the results of computer-based impairment tests. Based upon the results of the computer-based impairment testing, employees may subsequently be asked to participate in a substance testing process as set forth herein.

Management retains discretion as to whether, when, and what type of impairment testing is utilized - such discretion to be used consistent with the terms of this Workplace Impairment Policy.

All employees who are employed in Safety Sensitive Positions may be subject to impairment testing. Safety Sensitive Positions include employees working in state licensed medical marijuana and retail marijuana facilities. Per Colorado State law, no licensed employee may consume or be under the influence of any substance while working in a state licensed facility.

Non-scheduled computer based impairment testing may also be required for all employees whenever Company management has a reasonable suspicion that an employee is in direct violation of any part of the drug abuse policy or otherwise is impaired. "Reasonable suspicion" means an articulable belief based on facts and reasonable inferences drawn from those facts that an employee is under the influence of illegal drugs or controlled substances. Specific designated acts of conduct can create a reasonable suspicion or trigger a request for an impairment screen.

Circumstances which could constitute a basis for determining reasonable suspicion may include, but are not limited to:

- Abnormal or erratic behavior on the part of the employee;
- Information provided by a reliable and credible source;
- Direct observation of illegal drug or controlled substance use; or
- Presence of the physical symptoms of illegal drug or controlled substance use (i.e. glassy or bloodshot eyes, slurred speech, dramatically impaired coordination or reflexes, etc.).

EMERGENCY CAUSE

The Company shall also mandate testing if an employee has been involved in a work-related accident that involves any injury or involves property damage and where a possible cause or contributing factor to such accident, damage or injury is the consumption of impairing substances, sleep deprivation, prescription medications, and alcohol.

If any employee refuses to take an impairment test, that refusal may constitute grounds for immediate termination of employment. If an employee fails an impairment test and feels that the results are wrong, the employee can, at his own cost, retake the test immediately. The employee will not be allowed to work until the re-test result comes back. Any employee who fails an impairment test will be asked to meet with The Company's therapist to see what if any appropriate next steps are needed.

It is the intent of the Company to follow the guidelines of our policy, which instructs and informs all our employees of impairment abuse in the workplace. Our concern is to assure that all employees report to work in condition to perform their duties safely and efficiently. Employees in violation of this policy may be subject to disciplinary action, including immediate dismissal. Upon signing the acknowledgement of receipt and understanding of this Employee Handbook and Policy Manual, all employees are acknowledging their understanding of, and commitment to, this policy.