

LABOR & EMPLOYMENT PLAN

Embarc lives its values through action – providing wages that are among the highest in the industry and a plethora of industry-best benefits, as well as a proprietary education and training platform that fills the gap within the nascent industry and enables ongoing training and education that facilitates career growth.

Embarc will provide a competitive wage for hourly employees and a generous salary for management positions, as well as health and wellness benefits including healthcare, life insurance and more. Employee benefits extend beyond traditional offerings by including access to a suite of educational and professional development resources that provide tools to excel personally and professionally.

Integral to our commitment to our team is our commitment to strong labor partnerships and to the creation of a workplace that aligns with our employees' values. Embarc is a partner to and supported by the United Food and Commercial Workers Union (UFCW). This partnership goes beyond signing a Labor Peace Agreement (as required by California law) and instead includes Collective Bargaining Agreements for all Embarc locations – a testament to our commitment to true employee representation.

The following Labor & Employment Plan highlights tangible demonstrations of Embarc's commitment to business practices that ensure the empowerment, development and success of each team member. These are not just commitments for what we could implement in Sutter Creek, but rather what is in place today.

Employee Compensation

Embarc is committed to providing competitive and sustainable compensation to all employees, ensuring that every team member is compensated

above Sutter Creek's minimum wage and with access to robust benefits and advancement opportunities.

The minimum wage in Sutter Creek is \$16.90 per hour. Embarc pledges to pay hourly employees no less than \$18 an hour, excluding bonuses and other benefits – all of which further increase total employee earnings. Management positions will be paid an annualized salary and are also eligible for additional compensation including bonuses and benefits.

Embarc provides significant benefits to employees as part of their employment. In other communities where we operate, these benefits account for millions of dollars in additional investment into the local workforce. To the greatest extent possible, our wages, benefits, and operations are designed to provide every employee with the opportunity to maximize their compensation and professional development. These benefits include, but may not be limited to, the following:

HEALTH, DENTAL, & VISION: Employees will be offered a competitive benefits package that allows them to choose from health, vision, and dental insurance programs to best meet their needs. These benefits will be provided through the United Food and Commercial Workers Union, and the exact amount will be encapsulated in Embarc's Sutter Creek CBA. This ensures Embarc is contributing significantly, if not totally, to the cost of this coverage.

VACATION/PAID TIME OFF: Embarc offers generous paid time off to promote work-life balance and long-term employee satisfaction. Team members accrue paid vacation based on length of service, with annual accrual increasing with tenure. This structure rewards employee loyalty while ensuring adequate rest and recovery. Full-time employees may earn up to 160 hours (or 20 days) of paid vacation annually, with part-time employees accruing vacation on a prorated basis.

LEAVE: All Embarc employees accrue paid sick leave in accordance with California law and Embarc's internal policy, earning one hour of paid sick leave for every 30 hours worked, up to 40 hours annually. Sick leave can be used for personal illness, preventive care, or to care for a family member, ensuring employees and their loved ones have access to the support they need.

Embarc complies fully with all State and Federal family leave laws, including the California Family Rights Act (CFRA) and Paid Family Leave (PFL) programs. Eligible employees may take job-protected leave to bond with a new child, care for a seriously ill family member, or address qualifying family or medical needs.

Embarc proudly supports employees who serve in the armed forces or related service branches. In accordance with USERRA and the California Military and Veterans Code, employees are entitled to protected military leave, reinstatement rights, and continued benefits eligibility while serving. Additional leave includes but is not limited to:

- Maternity Leave
- Pregnancy Disability
- Bereavement Leave
- Jury Duty and Witness Leave
- Time Off to Vote
- Victims of Crime Leave
- Domestic Violence
- Sexual Assault or Stalking Leave and Accommodation
- Civil Air Patrol Leave
- Military Spouse Leave
- Organ & Bone Marrow Donor Leave
- School & Child Care Activities Leave
- Volunteer Civil Service Personnel
- Disability Leave

UNPAID TIME OFF: Embarc recognizes that life can present circumstances requiring extended time away from work. Employees may request personal leaves of absence of up to 30 days, with extensions granted when possible. Medical leaves

may be extended further based on certification from a licensed healthcare provider.

PAID VOLUNTEERISM: Embarc employees are afforded up to 40 hours per year of paid volunteerism. These hours are conducted with other Embarc team members through organized volunteerism efforts.

RETIREMENT: Embarc provides employees with access to a 401(k) retirement savings plan, offering a convenient and tax-advantaged way to plan for the future. Employees can contribute a portion of their earnings to build long-term financial security, with flexible options to manage their individual retirement goals. The benefit is designed to support team members in taking an active role in preparing for a stable and confident financial future.

LIFE INSURANCE: Embarc offers 100% employer paid premium life insurance policies, providing a sense of security for employees and their families.

EMPLOYEE DISCOUNT: Embarc employees enjoy meaningful discounts on products as part of our commitment to supporting access, product knowledge, and wellness. Team members receive a 30% discount on regular purchases, along with access to deeply discounted employee sample bags designed to keep our team informed about new brands and products. This benefit strengthens product expertise and reinforces our culture of education, engagement, and wellness.

EMBARC CARES: A FUND FOR TEAM MEMBERS IN NEED: Now more than ever, living our values means being a conscientious employer and supporting our employees inside and outside the four walls of our business. Embarc has established an Employee Assistance Program to provide emergency grants in times of crisis. The fund's purpose is to assist staff in coping with unexpected hardships that place undue financial stress on them and/or their immediate family, either due to a qualified disaster or personal hardship. These

awards are based on financial need and the severity of the disaster or emergency.

Importantly, these are not loans that must be paid back but monetary grants provided to address the economic impacts of the issue and help our team feel stable and secure rather than overwhelmed. We have found this grant program has made a meaningful impact on the lives of employees, creating a more open line of communication between the team, and providing a tangible demonstration of our commitment to the well-being of team members. Grants have been disbursed to address funeral expenses, travel to visit ailing parents, and emergency relocation, among others.

INTERNAL EMPLOYEE INCENTIVE PROGRAM: Embarc utilizes an incentive program intended to encourage employee performance and teamwork. Employees earn prizes and bonuses for reaching targets in attendance, cash handling, sales, education, compliance, and living our values.

Ultimately, Embarc has developed comprehensive wage and benefit plans to address the financial, physical, emotional, personal, and professional development needs of our employees. Given our partnership with UFCW, these wages and benefits will be encapsulated in a CBA to be ratified by employees in Sutter Creek, ensuring employees are represented, and these promises kept. These benefits are significant and demonstrate our commitment to the success of our team and their families.

Paid Training & Continuing Education

Embarc's robust paid education and employee training programs are integral to Embarc's business model and have a proven track record of creating an educated workforce. This plan is rooted in the fundamental belief in the value that ongoing education and learning bring to the organization. Rather than a one-size-fits-all approach, Embarc's policies and programs holistically facilitate the growth of its workforce through myriad

tools, resources, and programs aimed at fostering growth throughout the lifecycle of an employee's matriculation.

All employees are paid at their regular rate of pay for onboarding, initial training, mentorship/mentee hours, apprenticeships, approved educational courses, workforce development programs, job-specific skills coursework, and Flight School: Embarc's Proprietary Education Hub (education and training platform) courses.

Through the creation of workplace programs and policies that provide and reinforce the importance of training, and by providing significant opportunities for ongoing paid education and training, Embarc sets team members up to advance within the company and in their careers.

Onboarding & Initial Training

Employees must be positioned to succeed through thorough initial and ongoing education, training, and effective leadership at every level of the organization, providing direction and guidance for the current position as well as a roadmap for continued growth. It is critical that clear performance expectations are set, and a pathway for upward mobility is created to inspire and motivate team members.

Embarc will require employees to receive two weeks of training prior to the store opening with a focus on compliance, security, operational procedures, cannabis knowledge, and product-specific expertise. Upon one year of employment with Embarc, employees will be required to undergo an annual training course. After completing the two-week initial training, Guides will be required to complete various weekly, quarterly, and annual trainings. In addition to our existing ongoing training, Embarc is currently working with an expert in the fields of cannabis education and curriculum development to finalize additional modules within this robust internal training and matriculation program.

After employees are hired, and paperwork is complete, they undergo a two-week training consisting of three distinct tiers:

TIER 1 TRAINING – CANNABIS 101 (3 DAYS):

All employees must participate in our “Cannabis 101” training program that provides a broad overview of cannabis as a plant and a product. This training is also required of any contractors that have consistent interaction with Embarc guests such as our security team. This training details everything from the history of cannabis legalization in California; the laws and regulations that now allow for adult use cannabis, CBD, and THC; terpenes; and the State’s track-and-trace program, among others, and is critical to ensuring consistency in cannabis education. Importantly, given our focus on medical patients, it is vital that all employees understand cannabis’ medicinal use.

TIER 2 TRAINING – UNDERSTANDING EMBARC (2 DAYS)

Tier 2 Training details the company’s mission, vision, and goals; how values shape our desired interaction with guests, neighbors, and the community; the Employee Code of Conduct and what that means in practice; and community benefits, employee benefits, volunteerism, and ongoing engagement.

TIER 3 TRAINING – COMPLIANCE & BEST PRACTICES (5 DAYS)

While compliance is interwoven into every module during the training program, we also have a detailed Compliance & Best Practices tier before employees begin shadowing on the floor. During this training component, employees are provided an overview of cannabis compliance, and a detailed description of daily operations, including role-playing scenarios with mock guest identification verification, sales, purchases, inventory, and more.

After the two-week training is complete, employees begin shadow shifts. In the case of a new store opening, these are part of the role-playing scenarios included in Tier 3 training and are led by Store

Managers from other Embarc locations. After completing shadowing shifts, employees begin independent shifts. They are then engaged in ongoing education and training, as we understand that Guide education is an ongoing process.

Because the General Manager is ultimately responsible for the store’s day-to-day activities and performance, Sutter Creek’s General Manager will receive in-store training at one of Embarc’s existing locations prior to training the team and opening the store in Sutter Creek.

In addition to management employees, our structure includes “Leads” that have additional training and responsibility over their peers. Leads are provided additional training and resources as the intention is to develop them into management positions over time.

All team members, including Guides, continue to receive product education, compliance, and operational training throughout their tenure. This training includes ongoing education from our vendors and partners, product knowledge quizzes, weekly terpene profile discussions, and more. Continuous education is a component of our employee incentive plan and continuing to develop product and compliance knowledge is rewarded. This ensures the team continues to grow and evolve with the industry. When given the proper resources, education, and encouragement, team members thrive at Embarc and in their greater educational and career aspirations.

Paid Job-Specific Skills Training

Embarc encourages team members interested in increasing responsibilities or growing to a new position within the company to propose to management the coursework they would like to undertake to be considered for internal promotion. Examples include HR training and certification courses; accounting training and bookkeeping; and CAL/OSHA Certifications.

Opportunity Ladder

The burgeoning legal cannabis industry represents an opportunity to provide meaningful employment opportunities across the attainment spectrum. We welcome the opportunity to ensure working at Embarc can provide economic mobility rather than just a job. We achieve this by creating a deliberate opportunity ladder that recognizes barriers to entry and matriculation inherent in most hiring and operational practices and systematically works to eliminate them.

Methods of creating this opportunity ladder include, but are not limited to, the following:

- Prioritized internal promotions
- Regular performance reviews and individual development plans
- Access to ongoing training and education through Embarc’s proprietary education and training platform

Creating Long-Term Opportunity

A well-trained workforce is vital to creating a unique, differentiated experience for customers and is thus key to a successful operation. As is summarized here, Embarc provides employees with ample opportunities for paid education and training, including but not limited to a paid two-week initial onboarding, daily, quarterly, and annual paid product, customer service and compliance trainings, and paid mentorship to develop and hone new skills in subject areas they are interested in.

But educational and training opportunities to broaden and sharpen our employees’ skills is vital outside the shop as well. Our operating budget includes funds for educational tools, trainings, and resources to enhance team members’ experience in executing their professional functions.

These efforts have proven the value of taking a holistic approach to paid education and training, particularly given the legal adult-use market is still nascent in California, and there is little formal education and training available to provide career readiness in cannabis today. It is incumbent upon responsible operators to develop and implement

meaningful opportunities for matriculation, creating a clearly defined and supported pathway for ongoing career advancement that sets team members up for success.

Ultimately, Embarc has a proven track record of investment in the ongoing education and training of employees by providing free access to significant tools and resources and by ensuring significant paid working time is dedicated to ongoing development.

Employee Roles

Embarc anticipates the following approximate employee counts and roles within the Sutter Creek facility.

Role	Quantity
General Manager	1
Inventory & Ops Manager	1
Sales & Ops Manager	1
Sales & Ops Leads	3
Guides	9 - 12

General Manager

The General Manager oversees all dispensary operations, including team leadership, regulatory compliance, customer experience, staffing, inventory management, and financial performance. This role is responsible for ensuring efficient daily operations, maintaining compliance with state and local cannabis regulations, driving sales and community engagement, and fostering a positive and accountable workplace culture.

Inventory & Operations Manager

The Inventory & Operations Manager oversees all inventory control and operational functions for the dispensary, including product intake, compliance tracking, audits, vendor coordination, and inventory reporting. This role also supports daily store operations, staff leadership, regulatory compliance, and customer service to ensure efficient, compliant, and well-organized retail operations.

Sales & Operations Manager

The Sales & Operations Manager oversees customer experience, sales initiatives, daily store operations, and team leadership while supporting inventory management and regulatory compliance. This role is responsible for driving sales performance, implementing marketing and community engagement initiatives, maintaining operational efficiency, and ensuring a high-quality customer experience within a compliant retail environment.

Sales & Operations Leads

Sales & Operations Leads support customer experience, sales performance, and daily dispensary operations while assisting with team leadership and inventory management. This role focuses on delivering exceptional customer service, executing sales and marketing initiatives, maintaining operational compliance, and supporting efficient retail and inventory processes.

Guides

Guides provide front-line customer service and product education while supporting daily retail and inventory operations. This role assists customers with product selection, promotes a welcoming and compliant retail environment, supports sales initiatives, and helps maintain accurate inventory and operational standards.

LOCAL HIRING COMMITMENTS

Embarc commits to 100% local hiring, which will be achieved through partnership with and amplification by local organizations, as well as the local and regional connections of our future Community Advisory Board members (further detailed in the Community Benefits section of this proposal). These partnerships will ensure we can recruit effectively to build a local workforce.

As small business owners ourselves, we believe the health and welfare of residents are rooted in the need for quality employment opportunities. Embarc's commitment to 100% local hiring will provide meaningful employment opportunities for

locals. And equally importantly, it ensures our team will reflect the local customer base and serve as a component of our overarching efforts to reflect, benefit, and integrate into the community.

We will first target our recruitment efforts to those living within Sutter Creek city limits. When employees live in the same neighborhood where they work, they are more inclined to focus on positive neighborhood relations, community outreach, and volunteerism efforts as they are investing in their own neighborhood.

This will be achieved through a variety of tactics, including but not limited to hosting a neighborhood specific outreach program and geotargeted digital advertisements and job postings. We will prioritize interviews based on proximity to the location, so that positions are first filled by qualified applicants closest to the Sutter Creek community. Should we be unable to source sufficient qualified candidates from within the city itself, we will then expand our search to residents of Amador County. This demonstrates our commitment to keeping benefits local.

In each community where we operate, we have successfully achieved our goal of hiring from the local community we serve. We are confident in our ability to hire a local and diverse team to lead Embarc, ensuring our shop is run by Sutter Creek residents for Sutter Creek residents.