Preface

The policies in this Employee Handbook apply to employees working for CHR Services, L.L.C., CHR Solutions, Inc., and all their affiliated companies and wholly-owned subsidiaries. CHR Services’ affiliates and subsidiaries contract with the Company for its employees’ services. Any references to CHR Services ("the Company") also apply to its affiliates and subsidiaries.

These policies represent legal guidelines required by the federal government unless a state law is more stringent. Specific state laws dictate some policies that affect employees who work or reside in that state.

The Company retains the right to alter the provisions of this Employee Handbook in writing or otherwise, with or without notice. Policy changes can only be made by the Chief Executive Officer or Chief Operating Officer of the Company or designee. No supervisor or manager has the authority to modify the policies in this Employee Handbook.

Each employee is expected to acquaint himself/herself with, and acknowledge, the Company’s policies when first hired and then each year thereafter.

The Company’s policies are available on the Company Intranet. All policies are posted there and updated regularly. Employees will be notified of changes through the Intranet, Company emails or by other written means. It is the employee’s responsibility to view these documents and educate himself/herself on Company policies.

The contents of this Employee Handbook replace all previous policy manuals, handbooks and similar materials, which are no longer in effect.
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1. CODE OF BUSINESS ETHICS

A high standard of personal and professional ethics is expected of all Company employees. All employees will be required to sign a statement in which they pledge to abide by the Company’s Code of Business Ethics. Any employee who violates the Code of Business Ethics will be subject to disciplinary action up to and including termination of employment and other legal remedies available. If any employee is uncertain about a particular situation that may arise, he/she should discuss it with his/her manager, a Company officer or the Human Resources Director.

Employees at all levels and locations are not permitted to:

- Perform work either directly or indirectly for other firms, clients or companies for compensation when such work is provided by the Company, without the written permission of a Company officer;
- Own, either directly or indirectly, more than a 3% interest in any entity competing directly or indirectly with the Company, without the written consent of a Company officer. A Company officer may not own more than a 3% interest in any other entity competing directly or indirectly with the Company without the written consent of the Board of Directors;
- Serve as director, corporate officer, or employee of, or perform services or consulting work for, any organization which might supply goods or services to the Company or compete with the Company, without the written permission of a Company officer, or in the case of a Company officer, without the written permission of the Board of Directors;
- Influence in a manner unfavorable to the Company, negotiations or transactions between the Company and its clients, suppliers, contractors, customers or other outside parties because of personal, commercial or financial interest in the outcome of the negotiations; or
- Perform tasks for other firms when the project has been designed, engineered or will be inspected by the Company or its employees.

1.1. Outside Activities

Outside activities, which interfere with Company job performance, work schedule, duties or responsibilities, are not permitted. Serving as director, corporate officer or employee of, or performing services or consulting work for, any organization which supplies goods or services to the Company or competes with the Company, is not permitted without the written permission of a Company officer, or in the case of a Company officer, without the written consent of the Board of Directors.
1.2. Non-disclosure of Confidential Information

It is very important for employees to maintain the confidentiality of all Company and client confidential and proprietary information they receive, whether it is provided in oral, written, visual, computerized or other form, and not disclose such information to any third party, except as authorized by the client, a Company officer in writing, or to the extent required in the performance of duties on behalf of the Company. Therefore, all employees will be required to sign a Non-disclosure Agreement as a condition of employment or, if none is on file, as a condition of promotion.

Further, the employee agrees that the Company’s confidential and proprietary information is, and at all times shall remain, the property of the Company. No use of such information is permitted and no grant under any of the Company’s intellectual property rights is given, including any licenses.

All information developed by Company employees for, or on behalf of, the Company’s clients is considered to be trade secrets and proprietary information owned by the Company. The employee agrees to return all confidential and proprietary information in record bearing or other tangible form, any copies, and any property or equipment supplied to the employee by the Company upon termination of employment or at any time at the Company’s request.

The employee’s obligation to keep confidential and restrict the use of the Company’s proprietary information and trade secrets shall remain in effect throughout the employee’s employment with the Company and for a period of two years after the employee leaves the Company.

All inquiries regarding employment of a present or former employee should be referred to the Human Resources Department. This involves work history, type of position held, responsibilities, and any other information related to the person’s employment history.

The contents of an employee’s assigned mailbox shall be regarded as confidential for the intended recipient. If there is a need to view contents of another’s mailbox, or to open another employee’s mail, permission from the intended recipient must be granted.

Employees should take appropriate measures to shred and/or destroy unneeded confidential information, while adhering to the Company’s Document Management/Retention Policy 8.7.

1.3. Acceptance of Favors and Gratuities

No employee may accept a monetary gratuity from a vendor, contractor or client. Employees are not permitted to accept unreasonably lavish gifts (greater than $100) or entertainment except in special situations approved by a Business Unit Leader or corporate officer. Employees shall not be influenced in the performance of their work
or in consideration of what is best for the Company or the client by the nature or value of favors offered by other firms.

U.S. law prohibits U.S. companies from offering bribes to representatives or officials in other countries in exchange for favorable treatment. The Company supports U.S. laws and will not allow its employees to offer or accept bribes to do business or to receive favorable treatment.

1.4. Intellectual Property, Trade Secrets and Proprietary Products

All work products, mailing lists, client lists, computer data files, software, plant maps, studies, reports, files, manuals, documentation, etc. are considered proprietary and trade secrets. Unauthorized or inappropriate use is strictly forbidden.

Work product shall include all documentation, software, designs, models, creative works, know-how and information created in whole, or in part, by any employee during employment with the Company, whether or not copyrighted or otherwise protected.

Software shall include all software developed, purchased or licensed for use by the Company. Copying, use or distribution for other than official Company business is strictly forbidden.

Trade secrets shall mean all documentation, software, processes, designs, know-how and information relating to the past, present or future business of the employer, or any plans relating to the past, present or future business of a third party, or plans that are disclosed to the employer, which the Company does not disclose to third parties without restrictions on use of further disclosure.

During the term of employment with the employer, and after the date of employee’s termination of employment with the Company for whatever cause, employee shall treat Trade Secrets as confidential and shall not disclose them to others without the prior written consent of the Company or use Trade Secrets for any purpose other than the performance of services for the Company.

Employee will acknowledge that Trade Secrets are the sole and exclusive property of the Company and employee shall surrender possession of all Trade Secrets to the Company upon any suspension or termination of employee’s employment.

1.5. Political Contributions

Company employees may not make contributions to political candidates or causes on behalf of the Company. Decisions to support political causes will be made by Company officers.
1.6. Professional Conduct

The success of the Company depends to a great extent on the image of the Company as seen by clients, potential clients, vendors, industry and government representatives, and others outside the Company. It is the duty of every employee to help promote and maintain a positive image of a professional organization both within and outside the Company.

Many management decisions must be made for the operation of the Company. Input from staff is welcome and needed, but once a final decision is made, and a course is set, it is everyone’s duty to support and implement the decision to the best of their ability.

Each employee’s responsibilities include, but are not limited to, the following:

- To perform any assigned task to the best of the employee’s ability in a timely, efficient, safe, ethical and professional manner;
- To seek assistance and coordinate with a supervisor regarding any area of work about which the employee may have difficulty or questions;
- To create, maintain and enhance a timely, orderly, efficient and courteous coordination of work activities and good working relationships with other employees and clients;
- To create, maintain, enhance and project a positive image of the Company with clients, fellow employees, and the public through conduct, appearance, manners, actions and work products;
- To work toward results that are in the best interest of the Company and its clients;
- To maintain and enhance the orderly appearance and healthful environment of Company facilities; and
- To abide by the policies, practices and Business Code of Ethics of the Company.

1.7. Employee Conduct and Work Rules

The Company expects employees to follow rules of conduct that will protect the interests and safety of all employees, the Company, and will support our Code of Business Ethics and corporate values.

Although not all inclusive, the following are examples of conduct that may result in disciplinary action up to, and including, termination of employment:

- Theft or inappropriate removal or possession of Company or other employees’ property
• Falsification of time, expense or employment records
• Working under the influence of alcohol or illegal drugs
• Possession, distribution, sale, transfer or use of alcohol or illegal drugs on Company premises, while on duty, or while operating employer-owned vehicles or equipment
• Negligence or improper conduct leading to damage of Company-owned or client-owned property
• Insubordination or other disrespectful conduct
• Violation of safety or health rules
• Smoking or tobacco use in prohibited areas
• Verbal, written or physical harassment of a co-worker, vendor or client
• Making or publishing false, malicious, derogatory or misleading statements concerning any employee, supervisor, the Company or a client
• Possession of dangerous or unauthorized materials, such as explosives or firearms, on Company premises, work sites, or while traveling on Company business
• Excessive absences or any absence of 48 hours or more without notifying one’s supervisor
• Unauthorized use of Company records, supplies, equipment, facilities, keys or credit cards, or entering restricted areas without permission
• Copying, distributing, and/or misuse of proprietary, confidential or sensitive Company or client information
• Unauthorized access to Company files including computer data files
• Unsatisfactory job performance or conduct

1.8. Professional Appearance

The dress, grooming and personal appearance of the Company’s employees affects the business image that the Company presents to its clients, the industry and our communities. The Company has adopted a “business casual” dress code with the goal of presenting a professional image, while allowing employees to work comfortably in the workplace. This policy is not intended to be all encompassing, but rather to provide sufficient information so that employees can exercise common sense and good judgment in presenting a professional image.

General guidelines include, but are not limited to the following:
• Employees are to be well groomed and follow good personal hygiene practices
• Extreme or excessive jewelry, accessories, and hairstyles are not allowed
• Tattoos should be concealed during any client visits to the location
• Clothing must be clean, neatly pressed and in good condition
• Dress and appearance expectations may be upgraded during client visits and on client sites

Acceptable apparel includes, but is not limited to:
• Dress pants or slacks (including khakis and corduroys)
• Jeans
  o Jeans should be in good condition and fit properly
  o Jeans should not have holes in them or be too worn or baggy
• Suits and ties
• Skirts and dresses (knee length)
• Button down dress shirts
• Golf or polo-style collared shirts
• Blouses and sweaters
• Dress shoes including heels, loafers, sandals and boots

Unacceptable apparel includes, but is not limited to:
• Shorts
• Overalls
• Athletic attire (sweat suits)
• Tee-shirts, sweatshirts and hoodies
• Tank tops, halter tops and any other low cut or revealing tops
• Athletic shoes, hiking boots, casual flip flop sandals
• Shirts with logos (other than the Company, client or affiliation logos such as Nike or a hotel/resort/golf course/club/association) or slogans
• Clothing which exposes the abdomen, chest or lower back, and is provocative, revealing, distracting or too tight

Based on core duties, employees in certain positions may wear blue jeans and work boots/shoes that are clean and in good condition instead of dress pants and shoes.
These employees include building maintenance and employees who work in Outside Plant, but may come into the office for brief periods of time. Attire must meet OSHA standards for employees working in Outside Plant or other departments governed by OSHA.

Managers and supervisors are responsible for interpreting and enforcing dress and appearance standards within their departments or areas of responsibility. If an employee has questions about these guidelines, he/she should contact his/her supervisor, manager or the Human Resources Department.

The host of any client/potential client visiting our offices is accountable for informing the office staff of the time, date and duration of the visit as well as dress expectations for the staff.

Reasonable accommodations will be made for employees’ religious beliefs and disabilities consistent with the business need to present a professional appearance. Employees should contact their direct supervisor or the Human Resources Department to request accommodations.

1.9. Customer Care

The Company is in business to provide solutions for our clients. Employees must protect the best interests of both, the Company and our clients. If an employee encounters a conflict of interest, the matter should be resolved as quickly and efficiently as possible or the issue should be referred to a Company manager for guidance. The Company and its employees are ethically-bound to protect the interests of our clients, and all employees are responsible for meeting or exceeding Company goals and protecting Company interests.

Every client project or engagement is governed by a contract. It is the employee’s responsibility to adhere to these contracts. Only designated Company employees are authorized to prepare proposals or enter into contracts with clients. When requested by a client to quote the costs or fees charged by the Company for its services, an employee should refer the proposal request to his/her manager. Employees should be careful to avoid requests for additional services which are outside the contract. If an employee encounters a problem involving a client or project, he/she should relay the information to his/her manager as soon as possible.

Clients come to our Company seeking answers. If an employee is asked question and he/she is unsure of the answer, the employee shouldn’t guess at the answer. Instead, the answer should be, “I don’t know the answer to that, but I will find out and I will get back to you by...”. The employee should then find out the answer and get back to the client within the promised timeframe.

When asked to research an answer for a client, remember that knowledge and experience are a significant part of the Company’s business. Time spent performing research should be charged appropriately to the client that requires the information,
or prorated among the clients involved, as the situation may dictate. If in doubt, the employee should always discuss the situation with his/her supervisor.

Employees are prohibited from sharing unnecessary information with clients. This includes, but is not limited to, information about Company salaries, benefit programs, sales activities, financial information, unannounced organizational changes, etc.
2. LEGAL AND COMPLIANCE

2.1. Legal Disclaimer

Company employees, in general, provide consulting services, but are not trained or authorized to practice law. It is unlawful for anyone except a licensed attorney to practice law. To protect the Company from liability, all contracts, engagement letters, work products and correspondence (including emails and faxes) with clients will contain a standard disclaimer advising clients to seek an attorney’s opinion in instances in which an interpretation of a contractual agreement, rule or law is involved.

Written correspondence need not include the disclaimer when the topic does not constitute advice on a contract, rule, statute, etc. An example of correspondence which could exclude the disclaimer would be a Separations Department data request. The disclaimer should be excluded on an exception basis only and the decision to exclude it should be discussed with an employee’s manager.

2.2. Handling Legal Documents from Law Enforcement Agencies

From time to time, the Company receives subpoenas, search warrants, and other legal documents from various law enforcement agencies and law firms. Many times, these documents request information involving the Company’s clients.

If an employee receives a subpoena, search warrant or other legal document, it should be sent as quickly as possible to the Chief Executive Officer, Chief Operating Officer, or Chief Financial Officer at the Company’s headquarters for handling.

If an employee receives such documents, he/she should not discuss, share information about, or acknowledge the receipt, or the nature of the information requested to persons, including client(s), even client(s) listed on the legal documentation, other than the above-referenced corporate officers, except on a need-to-know basis.

Under no circumstances, should information be disclosed to an external party based upon a telephone or email request for information.

Any breach of confidentiality could jeopardize a government agency’s case and/or success, place law enforcement personnel in danger, and potentially create liability for the Company, as well as whoever discloses the information.

Any legal documents related to payroll issues should be sent to Human Resources for coordination with Payroll.

The Company will fully comply in a timely manner with all legal requests for information.
2.3. News Media Inquiries

All inquiries from broadcast or print media representatives should be directed to the Corporate Marketing Department for response. Authorized spokespersons for the Company are: the Director of Corporate Marketing, the Senior Vice President/Chief Market Strategist of the Company’s Marketing Practice, the Executive Vice President of Sales and Marketing, the Chief Operating Officer and the Chief Executive Officer.

If contacted by a media representative for comment, an employee’s response should be, “I’m sorry, I don’t have full information on that issue. I will give your request to my department director who will respond to you as soon as he/she is available.” Ask for the reporter’s name, contact number, topic, and deadline, then convey the information to Corporate Marketing.

Corporate Marketing issues press releases, newsletters and initiates personal contact with reporters and editors for coverage. Departments seeking publicity for events or activities should do so through Corporate Marketing.

Employees have the right to express their personal points of view regarding any issue. However, personal points of view may conflict with CHR’s official position on issues. Therefore, any employee who writes a letter to the editor of a publication expressing personal opinions may not use CHR letterhead. If an employee identifies himself/herself as a CHR employee when expressing a personal point of view, the employee should state that the views he/she is expressing do not represent the views of the Company. Similar disclaimers must be given if an employee addresses a public meeting, participates in a radio talk show, or is interviewed for a radio or television program unless the employee is officially representing the Company. See Social Networking Sites Policy 7.3.

2.4. Equal Employment Opportunity

The Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, sexual orientation, national origin, age, disability, genetic information or status in any other group protected by state, local or federal law. This policy governs all aspects of employment including selection, job assignment, compensation, discipline, termination, access to benefits and training. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action up to, and including, termination of employment.

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the Company will be based on merit, qualifications, performance and abilities. Any employee with questions or concerns about any type of discrimination in the workplace is encouraged to bring these issues to the attention of his/her immediate supervisor or the Human Resources Department. Employees may raise concerns or file a report without fear of reprisal.
2.5. Immigration Law Compliance

The Company is committed to employing only U.S. citizens and aliens who are authorized to legally work in the United States. It does not unlawfully discriminate on the basis of citizenship or national origin. In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present original documentation establishing identity and employment eligibility.

Former employees who are rehired must complete the form if they have not completed an I-9 with the Company in the past three years or if the previous I-9 is no longer retained or has changed.

New employees must provide original documentation regarding their ability to work legally in the U.S. within three business days of their hire date. If a Company employee is not available to complete the new hire’s form, a Notary Public should sign the form attesting the authenticity of the employee’s documentation.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees can raise questions or complaints about immigration law compliance without fear of reprisal.

2.6. Disability Accommodation

The Company will fully comply with the Americans with Disabilities Act (ADA) ensuring equal opportunity in employment for qualified persons with disabilities. “A qualified person with a disability” is an individual who meets the skills, experience, education and other job-related requirements for a position and who, with reasonable accommodation, can perform the essential functions of a job. All employment practices are conducted on a non-discriminatory basis. The Company will not discriminate against any qualified employee or applicant because they are related to, or associated with, a person with a disability. The Company will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

A disability is defined as a physical or mental impairment that substantially limits one or more of the major life activities of a person. A person with an impairment, or regarded as having an impairment, may be considered disabled. Pre-employment inquiries are made regarding an applicant’s ability to perform the duties of the position. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual. Qualified individuals with disabilities are entitled to equal pay and other forms of compensation as well as job assignments, advancement opportunities, training opportunities, etc.

Reasonable accommodations are available to job applicants and employees as long as they do not impose an undue hardship on the Company. Employees or applicants, who require reasonable accommodation to perform the essential functions of a
position, or to complete the application process, should notify the Human Resources Department.

This policy is neither exhaustive nor exclusive. The Company is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with ADA and all other applicable laws. If an employee feels that he/she has been discriminated against because of a disability, the employee may file a complaint with the Human Resources Department without fear of reprisal.

2.7. Discrimination and Harassment

The Company is committed to providing a work environment that is free of discrimination and harassment. The Company prohibits harassment of its employees based on any characteristics protected by federal, state or local laws, including race, color, religion, creed, age, sex, sexual orientation, national origin or ancestry, marital status, disability or status as a veteran of the Vietnam era.

Harassment is unlawful and hurts employees. Whether sexual or otherwise, harassment may include, but is not limited to epithets, slurs, negative stereotypes, and threatening, intimidating or hostile acts, and written or graphic materials that denigrate or show aversion towards an individual or group. The same complaint procedure and strict enforcement practices apply to all forms of harassment.

It is a strict violation of this policy to retaliate or take reprisal in any way against anyone for reporting in good faith a violation of this policy, or otherwise taking good faith action to protect their legal right to be free from prohibited or illegal discrimination of any kind.

It is the Company’s policy to investigate and eliminate any form of harassment or illegal discrimination. The Company’s management will not tolerate any harassing or discriminatory behavior.

The Company considers the following conduct to represent the type of acts which violate the Company’s harassment and discrimination policy:

- Physical assault of a sexual nature such as rape, sexual battery, molestation or attempts to commit assault
- Physical conduct which is sexual in nature such as touching, pinching, patting, grabbing or brushing against another person’s body
- Unwelcome sexual advances, propositions or sexual comments, such as sexually-oriented gestures, noises, remarks, or jokes, about a person’s sexuality or sexual experience
- When submission to sexual conduct is made a term or condition of employment or is used as a factor in decisions affecting an individual’s employment
• Subjecting, or threatening to subject, an employee to unwelcome sexual attention or conduct or making the performance of the employee’s job more difficult because of the employee’s sex
• Displaying sexual or discriminatory publications (posters, calendars, cartoons, graffiti, objects, or other sexual or pornographic reading material) in the Company’s workplace
• Transmission of jokes, pictures, etc. of a sexual or discriminatory nature via email, cell phone, fax, or other electronic means to employees or to clients
• Slurs, epithets, derogatory remarks or jokes related to race, color, age, creed, religion, ancestry, sex, sexual orientation or disability
• Retaliating against someone for filing a discrimination or harassment complaint by disciplining them, changing work assignments, or refusing to discuss work-related matters with them
• Denying, lying about, or otherwise covering up harassing or discriminatory conduct
• Falsely accusing someone of harassment or discrimination

Penalties
Anyone who is found to have engaged in harassing or discriminatory conduct, who files a false accusation, or retaliates against someone who makes a complaint, will be subject to disciplinary action up to, and including, termination of employment.

Complaint Procedure
Employees are urged to resolve complaints regarding a violation of this policy through a frank discussion with the person whose conduct is considered offensive. If this approach is unsuccessful, or the employee does not believe this approach will be successful, a formal complaint should be made.

Any employee who feels that he/she has been the victim of harassment should contact a member of management or the Human Resources Department as soon as possible after the incident occurs. All complaints will be investigated, including anonymous complaints.

Upon receipt of a complaint, the Human Resources Director will conduct an initial confidential investigation then contact the person who is accused of harassment or discrimination. That person will be given the opportunity to respond to the complaint in writing within seven days.

Upon receipt of a written response, and after conducting a thorough investigation, the Human Resources Director will submit in writing a confidential summary of the complaint, the response and the facts of the investigation to the Chief Operating Officer. After reviewing the facts of the investigation, including possible interviews...
with all parties involved, the Chief Operating Officer will determine whether harassment or discrimination has occurred. All parties will be notified of the Chief Operating Officer’s decision.

To the extent possible, the identity of the person making the complaint will be kept confidential. All parties contacted during the course of the investigation will be advised that all parties involved in a complaint are entitled to respect, and that any retaliation or reprisal against the person who filed the complaint, or anyone who has provided evidence in connection with the complaint, will be considered a separate violation of this policy.

An effective anti-harassment/discrimination policy must have the support and example of all Company personnel, especially those in positions of authority. Any Company employee who engages in discrimination or harassment, retaliation, or fails to cooperate with investigations, will be disciplined.

Any questions or concerns about discrimination, harassment or the complaint procedure should be directed to the Human Resources Department.

**2.8. Privacy**

The Company adheres to the federal Health Insurance Portability and Accountability Act (HIPAA) guidelines to maintain the security and privacy of employees’ Protected Health Information (PHI). The Company’s intent is to ensure, to the extent possible, that PHI is not intentionally or unintentionally used or disclosed in a manner that would violate HIPAA or any other federal or state law governing PHI. The Company has the right to disclose PHI for purposes of payment, treatment or plan operation, or to modify, amend or terminate benefit plans. PHI may be disclosed if required by federal, state or local laws. PHI will not be disclosed or used for any employment-related actions.

**Privacy Officer**

The Company has designated the Human Resources Benefit Specialist as the Company’s Privacy Officer, who is responsible for carrying out procedures to safeguard employees’ PHI. The Privacy Officer shall periodically monitor the Company’s compliance with HIPAA laws and its efforts to safeguard PHI, and recommend changes, if necessary.

**Authorized Staff Access**

The Company will limit PHI access to authorized staff (employees who have a need to know in order to administer benefit and insurance programs) and will only disclose the minimum information needed. Authorized staff with access to PHI includes Company Human Resources personnel. Payroll staff may have access to information pertaining to their direct job responsibilities, such as pay rates and deduction amounts. The Company will safeguard confidential information when it is faxed, mailed or stored either electronically or in physical files.
Company Use of PHI

Company use of PHI includes, but is not limited to, enrollment, payroll deductions, claims problem resolution, and coordination of benefits with other benefit providers. All information related to these processes will be maintained in confidence and employees will not disclose PHI for employment-related actions. Any employee who improperly discloses PHI may be subject to disciplinary action up to, and including, termination of employment. PHI may be disclosed as follows:

- to the individual to whom the PHI belongs;
- requests by providers for treatment and/or payment;
- disclosures requested to be made to authorized parties by individual PHI holder;
- disclosures to government agencies for reporting or enforcement purposes;
- disclosures to workers’ compensation providers and those authorized by workers’ compensation providers;
- information regarding whether an individual is covered by a plan for claims processing purposes; and
- information being furnished for processing claims for workers’ compensation, Short-Term or Long-Term Disability, or to verify ADA or FMLA status.

Employee Access to PHI

Employees have the right to inspect and obtain a copy of their own PHI or health records maintained by the Company. A request to inspect these records must be submitted to the Company’s Privacy Officer in writing. Employees have the right to request a correction to their PHI. Such requests should be made in writing to the Privacy Officer.

Privacy Notice

The Company will issue a privacy notice to all employees upon their hire date, annually during benefit enrollment, within 60 days of a material revision, or upon request to any person. This notice is also available on the Company’s Intranet.

Non-Health-related Information

The Human Resources Department will store all confidential employee information, including personnel actions, salary information and personal identification information, such as social security numbers, in locked drawers and cabinets. Access to such data, stored electronically, will only be provided to Payroll, Human Resources and supervisory personnel, as necessary, to fulfill job requirements.
Breaches of Private Health and Other Confidential Information

A “breach” is defined as “unauthorized acquisition, access, use or disclosure of PHI, or any other confidential employee information, which compromises the security or privacy of such information. The Department of Health and Human Services has further clarified that “compromises the security or privacy of such information” means that a breach poses significant financial, reputational or other harm to an individual.

Upon discovery of a potential breach, the Company will determine whether the incident was an unauthorized disclosure of PHI or other confidential information and if the breach warrants notification.

A potential breach is considered to be discovered when the incident becomes known, not upon conclusion of analysis as to whether the incident is a breach. To determine whether or not a breach has occurred, an investigation will be conducted.

- If private information is found to be secured, file is closed and documentation will be maintained for 6 years.
- If private information is found to be unsecured, a risk assessment will be performed to determine if breach or potential breach posed significant financial, reputational or other harm to an individual or individuals.
- Affected individuals must be notified without reasonable delay, but in no case more than 60 days after discovery of breach. If a breach involves fewer than 500 individuals, the Department of Health and Human Services must be notified within 60 days after the end of the calendar year in which the breach occurred.

The Company will ensure that all vendors, brokers, attorneys and other third parties agree in writing to maintain the confidentiality of employee PHI.

Any employee who thinks that his/her confidential information was disclosed inappropriately should contact his/her immediate supervisor, the Human Resources Department or the Company Privacy Officer.
3. EMPLOYMENT

3.1. Nature of Employment

Employment with the Company is “at will,” that is, voluntarily entered into, and the employee is free to resign at any time, with or without notice. Similarly, the Company may terminate the employment relationship at any time, with or without notice or cause, so long as there is no violation of applicable federal or state laws. The Company and its employees will be guided by the employment laws of the states where the employee’s work takes place and/or where the employee resides.

The Company’s policies and job offers do not create contracts, nor are they to be considered a contractual obligation of any kind or a contract of employment between the Company and any of its employees; except if there is an Employment Agreement in place, then the terms and conditions of the agreement will apply.

3.2. Employment Categories

The Company will classify employees so that they have a clear understanding of their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time.

Each employee is designated as **exempt** or **non-exempt** from overtime as determined by federal and state wage and hour laws. **Non-exempt** employees are entitled to overtime pay under specific provisions of federal and state laws. In order to be exempt from overtime, a job must be classified as administrative, professional, executive, or computer professional as defined by the federal wage and hour laws.

In addition, each employee will belong to one of the following categories:

- **Regular Full-Time** – Generally work a full-time schedule of 40 hours or more per week. Eligible to receive the Company’s full benefit package, subject to the terms, limitations and conditions of each benefit program.

- **Part-Time Benefit Eligible** - Work an average of 32-39 hours per week. Eligible for Company insurance and paid time off benefits.

- **Part-Time Non-Benefit Eligible** – Work an average of less than 32 hours per week. Eligible for all legally mandated benefits (i.e. Social Security and workers’ compensation), but not for other Company benefits.

- **Temporary** - Hired as interim replacements, to supplement the workforce, or assist in the completion of a specific project. These assignments are normally less than six months in duration. Temporary employees are eligible for all legally mandated benefits (Social Security, workers’ compensation), but are not eligible for other benefits. Time worked in this category does not apply.
toward years of service as a Company employee when moving to full-time status.

- **Project** - Hired for a specific period of time (from three months to two years); employment will be terminated if, at the end of the project, there are no additional projects to which employee can be assigned. Eligible for all legally mandated, and some Company insurance benefits.

- **Contractors** - Provide services to the Company, and are paid through Accounts Payable, not Payroll. Must provide proof of workers’ compensation and liability insurance; must be hired through a staffing or contracting company.

### 3.3. Employment Documentation

The Company relies on the accuracy of information contained in the employment application, as well as the accuracy of other information presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information may result in the exclusion of the individual from consideration, or if the person has been hired, in termination of employment.

### 3.4. Employment Opportunities

Employees may indicate their interest in open positions and advance within the Company according to their skills and experience. In general, notices of all regular full-time job openings are posted on the Company Intranet, although the Company reserves the right not to post particular openings.

The Company may transfer its personnel from one job to another or from one department to another, according to need. For transfers requiring relocation, the Company may reimburse pre-approved, reasonable costs for moving personal items, furniture, etc., but reserves the right to limit the overall costs, according to the Company’s relocation guidelines.

Posted job openings will be communicated via Company email and on the Intranet, and will normally remain open for seven days. When prudent and reasonable, preference will be given to qualified employees over applicants from outside the Company.

If employees refuse to transfer and there is no work for them in their current position or location, they may be subject to Reduction-in-Force (RIF).

### 3.5. Independent Contractors

The Company is not responsible for employment taxes, worker’s compensation insurance or other employment-related matters for independent contractors who are subcontractors for the Company. In most cases, independent contractors will work
for an established company with its own federal tax ID number. The contracting company is a vendor and as such, will be paid through Accounts Payable.

To be considered an independent contractor, an individual must meet IRS requirements; otherwise, he/she must be hired as a temporary employee, paid through Payroll, and subject to payroll taxes being withheld and submitted.

Independent contractors must maintain insurance of the following types and minimum requirements for the full term of the contract with the Company:

- Workers’ compensation and employers’ liability insurance, as required by law, covering all employees who perform any of the obligations of the Contractor under the contract. If any employer or employee is not subject to the workers’ compensation laws of the governing state, then insurance shall be obtained voluntarily to extend to the employer and employee to the same extent as though the employer or employee were subject to the workers’ compensation laws. Any exception must be approved by the Company Chief Operating Officer or Chief Financial Officer.

- Commercial General Liability ($1,000,000 General Aggregate; $1,000,000 Products/Completed Operations Aggregate)
  - Premises/Operations/Personal Injury- $1,000,000 each occurrence
  - Products/Completed Operations- $1,000,000 each occurrence

- Liability- Automobile
  - Bodily Injury- $1,000,000 each occurrence
  - Property Damage- $1,000,000 each occurrence

The Company shall have the right at any time to require general liability insurance and property damage liability insurance greater than those required above. In any event, the additional premium or premiums payable solely as the result of such additional insurance shall be added to the bid price;

Such insurance (except workers’ compensation) shall be endorsed to show the Company as additional insured;

All such insurance shall contain a waiver of the insured right of subrogation against the Company;

All such insurance shall be written in a 30-day written notice of cancellation to the Company.

The Contractor shall furnish a Certificate of Insurance showing evidence of compliance with the requirements of this policy before the start of construction.

Contract employees will provide personal information to Human Resources in order to be set up and record their time properly in the Company’s time system.
3.6. Hiring Relatives

The employment of relatives in the same department of an organization may cause conflicts and problems with favoritism and employee morale. The Company will not hire or transfer employees into positions that are in a direct reporting line to another employee who is related by blood or marriage. Exceptions to this policy require the approval of the Chief Operating Officer.

If a relative relationship is established after employment, Company management will work with the individuals involved to develop a plan for bringing them into compliance with this policy.

In other cases in which a conflict or the potential for conflict arises, even if there is no supervisory relationship, the parties may be separated by reassignment or their employment may be terminated.

3.7. Remote Workers

Employees who live further than 50 miles from a Company office may be allowed to work from home/remotely with immediate supervisor and Practice Leader approval. If approval to work remotely and be categorized as a Remote Worker is granted, the Company will pay up to $35 per month for Internet service, and will provide a fax/scanner/printer. Office supplies may be ordered from approved Company vendors (go to Vibe, Project Execution, Expense Reporting, End Users, Approved Office Supply Vendors for current list). These expenses are subject to supervisor approval and should be submitted using the expense reimbursement process. Remote workers may need to travel to one or more Company offices for meetings or other work requirements. Remote employees travel to Company offices at their own expense. Remote worker arrangements may be reviewed and changed at any time depending on the needs of the business.

3.8. Personnel Files and Employment Verification

Employees are responsible to promptly notify the Company of any changes in personal information so that Company records are accurate and current at all times.

Personal information includes legal name, home mailing address, telephone numbers, emergency contacts, changes in marital status, and educational accomplishments. Certain changes in personal information (such as marital status, legal name, etc.) may require action by the Company for legal compliance.

Personnel files are the Company’s property and are maintained by the Human Resources Department. Personnel files contain information such as the employee’s job application, documentation of performance evaluations and other performance discussions, training records, commendations, etc. Access to these files is restricted to supervisors and managers who have a legitimate reason to review the information.
An employee who wishes to review his/her personnel file should contact Human Resources. With reasonable advance notice, an employee may have access to his/her personnel file in the Company’s office in the presence of a Company representative. Employees have the right to receive copies of any documentation placed in their files which they have signed. Some items are Company property and may not be copied. Requests for copies of information in one’s personnel file will be granted at the discretion of the Human Resources Director.

The Company will protect the confidentiality of employment information and any inquiries or requests for employment verification should be directed to the Human Resources Department. Individual Protected Health Information (PHI) is kept separate from personnel files containing employment-related documents.

When asked to verify an employee’s information, the Company will verify only an employee’s dates of employment and positions held. Salary information will be verified with written authorization from the employee.

3.9. Employee Issue Resolution

If an employee has a question regarding the interpretation of a policy or practice, is in disagreement with a co-worker or supervisor, feels that he/she has been treated unfairly, or has an unresolved issue, the following steps should be taken to seek resolution.

- Employees are encouraged to make suggestions and/or recommendations regarding the resolution of an issue.
- An employee’s immediate supervisor is usually the best source of answers to job-related questions and concerns, so employees are encouraged to first discuss issues with their supervisors.
- If the matter is not resolved to the employee’s satisfaction at the supervisor level, he/she is encouraged to speak to the next level of management. The manager should review the issue, offer assistance and provide a decision.
- If the matter is still not resolved to the employee’s satisfaction, he/she should discuss it with his/her Business Unit President or equivalent Company executive.
- The final step in the process is to discuss the issue with the Chief Operating Officer, who will take all pertinent facts into consideration and make a final decision. If employees feel that for any reason, they cannot discuss a situation with their immediate supervisor or other members of management, they may contact the Human Resources Department to discuss any work-related issue or concern.
Employee concerns/issues are held in confidence to the greatest degree possible. However, in an effort to resolve an issue, management and Human Resources may share confidential information on a “need to know” basis.

If an employee believes he/she has been harassed, they should follow the guidelines found in Discrimination and Harassment Policy 2.7.

This resolution process should not be construed as preventing, limiting or delaying the Company from taking corrective action, up to and including, termination of employment, in situations which the Company deems such actions appropriate.

There will not be any retaliation or reprisals against an employee for using this resolution process.

3.10. Termination of Employment

Since employment is based on mutual consent, both the employee and the Company have the right to terminate employment at will, with or without cause, at any time, as long as state laws are followed. The Company will schedule an exit interview to provide an opportunity to discuss issues such as employee benefits, conversion privileges, payment of accrued unused vacation, settlement of expenses, the obligation to maintain confidentiality and trade secrets, and the return of Company property and proprietary information. Exit interviews also provide employees an opportunity to provide executive management with suggestions or observations for improving the workplace. Types of terminations include the following:

- **Resignations** - voluntary termination initiated by an employee.
  - A written resignation notice is requested.
  - When possible, the Company requests two weeks’ notice in order to transition work smoothly.
  - An absence of 48 hours or more without notifying one’s immediate supervisor will be considered a voluntary resignation.

- **Discharge** – involuntary termination initiated by the Company

- **Reduction-in-Force (RIF)** - Involuntary termination initiated by the Company for non-disciplinary and non-performance related issues; layoff.

Employee access to workplace and all Company systems/programs will be terminated by the Service Desk upon notification by Human Resources. If a separation is thought to be less than amicable, the Company will make every effort to secure and protect the Company, employee and client information. Therefore, at the Company’s sole discretion, access to the workplace and all Company systems/programs may be immediately revoked and an employee’s two-week notice may be waived.
A separating employee may not use paid time off as his/her last day(s) of employment, nor will a paid Company holiday be considered as the employee’s last day. A separating employee’s last day of employment will be recorded as the last day he/she physically performed work for the Company.

Before leaving the Company, the employee should complete and submit a final timesheet. Employees who leave the Company will be paid their final paycheck on the next regular payday after their termination date unless state laws require an earlier payment.

### 3.11. Attendance and Punctuality

Efficient operations depend on the commitment of all employees to be at work as scheduled. Absenteeism and tardiness are disruptive and place additional burdens on co-workers and on the Company.

When an employee cannot avoid being late or is unable to work as scheduled, he/she should notify his/her supervisor as soon as possible. Every attempt should be made to reach one’s supervisor by telephone rather than by email or voice mail. Failure to notify one’s supervisor of an absence within 48 hours may be considered job abandonment and a voluntary resignation by the employee.

Standard office hours, including start times, end times, lunch and other break times, may vary by office location and department requirements. Employees should check with their supervisor to find out the schedule at their location. Employees are asked to provide their supervisors as much notice as possible for scheduled absences such as vacation, sick leave, floating holiday use, etc.

During normal scheduled work hours, employees must tell their supervisors when leaving the office and when they expect to return. This is to ensure that supervisors, clients and/or co-workers are able to contact employees quickly to resolve urgent situations.

Excessive absences or tardiness may result in disciplinary action up to and including termination of employment.
4. EMPLOYEE DEVELOPMENT

4.1. Performance Evaluations

The goals of employee performance evaluation areas follows:

- To provide an objective, consistent and uniform way to evaluate and improve each employee’s job performance as it relates to responsibilities and priorities;
- To align individual goals and performance with practice and Company goals;
- To provide each employee with feedback on strengths and areas for development;
- To assist with career development and discuss career paths;
- To provide each employee with the opportunity to discuss job-related issues and interests with their supervisors.

Employee performance evaluations for all regular full-time and part-time employees are prepared and communicated annually. The employee and supervisor together develop a set of SMART (Specific, Measurable, Attainable, Realistic and Timebound) goals at the beginning of each year. Progress toward reaching goals is tracked throughout the year. Goals should be revised if job responsibilities or the direction of the Company or the Practice change during the year. Supervisors should provide feedback on employee performance and should track performance, both positive and negative, throughout the year. Feedback provided during performance reviews should never be a surprise to the employee.

Supervisors will schedule and conduct reviews once a new employee has worked for the Company three months. This gives the supervisor the opportunity to tell the employee how he/she is doing, the employee the opportunity to ask questions, and both to set goals together for the remainder of the year. It also gives both parties the opportunity to decide whether the employee is a good fit for the position.

4.2. Performance Improvement and Disciplinary Process

When an employee’s conduct or performance is unsatisfactory, a process will be followed to ensure that the employee is aware of the problem. In most cases, time and assistance will be provided to allow the employee the opportunity to correct deficiencies.

The major purpose of any disciplinary action is to correct the problem, prevent its recurrence, and improve the employee’s future performance. The Company may use any of the following disciplinary steps to correct the problem:

- Verbal warning;
• Written warning (Progress Improvement Plan);
• Suspension and/or termination of employment.

The disciplinary action should take into consideration the number of occurrences and the severity of the problem. The Company recognizes that some types of infractions or problems are serious enough to justify suspension or termination of employment; however, any potential suspension or termination must be reviewed with the Human Resources Department or the Chief Operating Officer.
5. COMPENSATION AND BENEFITS

5.1. Compensation

The Company will compensate employees for work performed in amounts that are clearly stated at scheduled periods and in compliance with all federal, state and local laws. The Company adheres to the Equal Pay Act of 1963, which states that men and women will receive equal pay (including base salary, overtime pay, commission, bonus, stock options, benefits, etc.) for the same, substantially similar, or work that is of equal value to the Company. Compensation will be in the form of base salary with appropriate adjustments, such as overtime, bonuses and commissions.

The Company’s compensation system is a pay-for-performance system. Discretionary merit increases are considered annually based on employee performance, Company performance, market rates for jobs, and Company budget guidelines. Annual merit increases are not guaranteed. Out-of-cycle increases are only considered on an exception basis (for example, if an employee is promoted to a position with greater responsibility, or has increased his/her skills and/or value to the Company.) Any such increase must have Practice Leader, Business Unit Leader and Human Resources approval.

Employees will be compensated for time worked and for vacation, holiday, sick leave or other benefits they are eligible to receive, in accordance with the Company’s benefit policies.

The basis for compensation will be time reports submitted by employees who are responsible for accurate and timely entries and submissions.

All employee compensation information is considered confidential and proprietary. Information about the Company’s salary structure, incentive and/or sales compensation plans should not be shared with other companies without the written approval of a Company officer.

5.2. Employee Recognition and Awards Programs

Referral Bonus

Employees are encouraged to refer qualified candidates to the Company to fill open positions. Candidate information must be submitted to Human Resources prior to the candidate submitting his/her application for a position. Referral bonuses are not to be paid for rehires that have been employed by the Company within the past three years prior to their rehire date.

Referral bonus amounts may vary depending on the pay grade and difficulty hiring the position. Referral bonuses may be $500/$750/$1,000. Referral bonus amounts are subject to change with or without notice. All bonuses are subject to Federal Income Tax Withholding, Social Security, Medicare and state taxes, if applicable.
Once a referred candidate is hired, one half of the referral bonus will be paid after the candidate has successfully completed 90 days of employment with the Company. At six months of employment, the second half of the referral bonus will be paid. An employee who makes the referral must be actively employed by the Company at the time the referral bonus is paid to be eligible to receive it.

If more than one employee refers the same candidate, the employee who refers the candidate first will be eligible for the bonus. If it cannot be determined which employee’s referral was received first, the bonus will be divided equally.

Human Resources staff, managers within the hiring department, and employees who are at the director level and above are not eligible because it is these employees’ job responsibility to identify qualified candidates to fill positions within the Company.

**SMART Awards**

Every year, employees and their supervisors develop goals to help the employee develop individually, and to help their Practice, Business Unit, and the Company as a whole, achieve their goals. Performance reviews should not be an annual event, as goals should be reviewed throughout the year to ensure that progress is being made. Supervisors may recognize employees who exceed their goals throughout the year by nominating them for a SMART Award. (SMART is based on the criteria that goals must be Specific, Measurable, Attainable, Realistic and Timebound.)

Supervisors should nominate employees using a SMART Award nomination form. To be approved, the nomination should provide specific examples of how SMART goal(s) were exceeded. Practice leaders must approve the nominations, and forward them to the Business Unit President and to Human Resources. Winners of SMART Awards will be recognized during Company Chats and in the employee newsletter, *the Spotlight*. Winners will receive a certificate of recognition and a $150 gift card. They will also be eligible for a $2,000 grand prize drawing at the end of each year. These awards are subject to applicable taxes. Members of the Executive Management Team are not eligible for SMART Awards.

**SPOT Awards**

A SPOT Award is given at a manager’s discretion when he/she observes an employee going “above and beyond” their normal job responsibilities to help a client or a co-worker, take initiative to make sure that a task is handled correctly or timely, propose an improvement to a product or process, etc.

Supervisors (or co-workers) who wish to nominate someone for a SPOT Award should send an email to the employee’s manager and Practice Leader stating who they wish to nominate, and providing specific information regarding how the employee went “above and beyond” their regular job duties. The Practice Leader may award a $100 gift card and a certificate of recognition to the nominee. The employee will be recognized in *the Spotlight* and on the Company Chat. The awards are subject to applicable taxes.
applicable taxes. Members of the Executive Management Team are not eligible for SPOT Awards.

**President’s Award**

From time to time, extraordinary efforts provide extraordinary returns/results for the Company, for our employees and/or for our clients. In order to maintain its prestige, the President’s Award should only be recommended on a *limited* basis. The standards for this award should be:

- The results of the employee’s or team’s efforts saved the Company or its client(s) $10,000 or more;
- The results of the employee’s or team’s efforts generated significant new revenue opportunities for the Company (as in identifying and suggesting new/improved products/services);
- The results of the employee’s or team’s efforts generated a significant, measurable reduction in Company expenses or significantly improved quality within the department;
- The results of the employee’s or team’s extraordinary efforts/ideas resolved a client problem and enhanced the Company’s reputation within our industry.

The amount of the award will be considered on a case-to-case basis, depending on the effort required or savings/revenues generated. Nominations should be made to the Business Unit President and the Human Resources Director and must then be approved by the Chief Operating Officer. Nominations should include quantitative and qualitative information, and clearly demonstrate the extraordinary effort that was made and the impact of these efforts. Members of the Executive Management Team are not eligible for the President’s Award.

**Service Awards**

The Company is appreciative of the loyalty demonstrated by its employees. As a consulting company, one of the benefits the Company offers our clients is the experience of a knowledgeable, stable employee base. Therefore, the Company will reward continuous service with a plaque and either a gift certificate or a memento for the following years of service:

- 5 years
- 10 years
- 15 years
- 20 years
- 25 years
- 30 years (and every 5 years thereafter)
Because each and every year of service with the Company is important and should be recognized, at one year, employees will receive a Celebration/Appreciation certificate and a one-year service acknowledgement. The employee will receive an acknowledgement for each year that he or she does not receive a plaque (as shown above).

If an employee joins the Company as the result of a merger or acquisition, the employee’s prior service will apply for service recognition purposes. The amounts of all monetary awards will be included as taxable income and employees will pay the appropriate taxes.

5.3. Unemployment Compensation

Unemployment compensation laws vary by state. Unemployment compensation, in general, provides financial assistance to people who lose their jobs through no fault of their own and have difficulty finding other employment. Unemployment insurance is financed by a tax paid by employers.

An individual will not be entitled to unemployment compensation if the person voluntarily resigns or if his/her termination was for “gross misconduct.”

To be eligible to receive unemployment compensation, a person must:

- Register online or at an unemployment office;
- File necessary claim information;
- Be able to work; and
- Have earned the necessary qualified wages for covered employers.

5.4. Benefits

The Company provides certain benefits that are required by law to all employees, such as Social Security contributions and workers’ compensation insurance. The key objective of the benefits program is to provide a significant value to the employee and his/her family while maintaining a reasonable cost-to-benefit ratio. Benefit programs include health insurance, retirement savings, paid time off and educational assistance. Eligibility for benefits is based on an employee’s employment classification and work status. Details of the plans’ eligibility requirements, premiums and benefits are described in the respective plan documents available through Human Resources and on the Company Intranet. Insurance carriers have the final word on eligibility for, and administration of, benefits.

The Company reserves the right to modify, add and delete benefit plans and/or carriers, as necessary, to meet changing conditions and issues. Final decisions regarding benefit plans are made by the Company’s Board of Directors.

The following are typical reasons for loss of benefits:
• Termination of employment. In accordance with federal law, COBRA is offered to employees and their families upon termination of employment with respect to health benefits.

• Failure to truthfully answer questions on a health questionnaire; false statements or claims.

• Cancellation of the program by the Company.

• Change to part-time status (less than 32 hours per week). COBRA is offered to employees and their families with respect to health benefits.

• A project employee’s furlough extends past two months. COBRA is offered to the employee and his/her family with respect to health benefits.

The Company’s 401(k) Retirement Plan benefits provide employees the opportunity to build long-term financial security with tax deferred savings. The Company may contribute to employee accounts on a discretionary basis. Details of the Plan’s eligibility and restrictions are included in the Plan documents available from Human Resources and from the Plan recordkeeper.

5.5. Company Holidays

The Company recognizes the following Company holidays:

• New Year’s Day
• Memorial Day
• Independence Day
• Labor Day
• Thanksgiving Day and the following day
• Christmas Day

In addition, three (3) floating holidays are provided to employees immediately upon assignment to an eligible employment classification, defined as regular full-time and part-time employees who consistently work at least 32 hours per week. Floating holidays may not be taken until 90 days of employment are successfully completed. These holidays must be scheduled with the prior approval of an employee’s supervisor. Supervisors may ask the employee to reschedule time off based on business needs. Floating holidays must be taken in the year they are earned. Unused floating holidays will not carry over into the next calendar year. Employees will not be paid for unused floating holidays upon termination. Floating holidays must be taken in a minimum of 2-hour increments.

If a recognized holiday falls during an eligible employee’s paid absence (i.e. vacation or sick leave), holiday pay will be provided instead of benefits that would otherwise
have applied. If an employee is on Short-Term or Long-Term Disability, he/she will receive disability pay rather than holiday pay.

When terminating employment, employees must work the next scheduled work day following the holiday to be eligible for holiday pay. Employees may not use floating holidays or any other type of paid absence as their last day of employment.

Paid absence for holidays and floating holidays will not be counted as hours worked for the purposes of determining overtime pay. If eligible non-exempt employees work on a scheduled Company holiday, they will receive eight hours of holiday pay in addition to pay for hours worked on the holiday. If an exempt employee is required for specific business reasons to work on a holiday, he/she may request another day off.

Part-time benefit eligible employees will receive ½ pay for Company and floating holidays. Temporary and project employees will not be paid for Company or floating holidays. Employees on unpaid leaves of absence are not eligible for holiday pay.

If a Company holiday falls on a Saturday, it will be observed on the Friday before the holiday. If a Company holiday falls on a Sunday, it will be observed on the Monday following the holiday.

5.6. Vacation

CHR will provide paid vacation benefits to employees based on status, length of service, and hours worked, as reflected in the following table:

<table>
<thead>
<tr>
<th>Service Milestones</th>
<th>Total Hours Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st calendar year</td>
<td>80 (prorated)</td>
</tr>
<tr>
<td>Years 1-6</td>
<td>80</td>
</tr>
<tr>
<td>On 6th Anniversary</td>
<td>120</td>
</tr>
<tr>
<td>On 13th Anniversary</td>
<td>160</td>
</tr>
</tbody>
</table>

Regular full-time employees working a standard 40-hour week will earn vacation hours based on this table. In special circumstances, vacation amounts may differ from the above based on an employee’s job offer letter. Vacation hours will accrue each pay period. Employees will begin accruing vacation at a higher rate on the first pay period following the service anniversary when they reach a service milestone as described in the chart above.

Part-time benefit eligible will be eligible for partial vacation benefits at ½ the amounts shown. Part-time non-benefit eligible employees, project and temporary employees are not eligible for paid vacation benefits.
Paid vacation will start accruing the first full pay period worked, but cannot be taken until the employee has completed three months of employment. Accrued vacation will only be paid at termination to those employees who have completed three months of employment. Vacation will not be considered hours worked for purposes of determining overtime pay. Employees may borrow the amount of vacation they will accrue through the end of the calendar year. Any borrowed vacation not earned must be repaid at termination and will be withheld from any final payments due to an employee from the Company, including salary, bonuses, commissions and expense reimbursements.

When an employee’s hours worked are less than 32 hours per week for a three-month period (on average), he/she will no longer earn vacation until he/she works 32 hours per week consistently for at least three months (on average).

An employee will accrue vacation while on Short-Term Disability and Family Medical Leave (FML), but not while on Long-Term Disability.

- An employee must obtain advance approval from his/her immediate supervisor before taking vacation.
- Vacation must be taken in 2-hour increments.
- CHR reserves the right to deny vacation if a request interferes with the critical priorities of the business. In those circumstances, supervisors will work with employees to reschedule their vacations as soon as possible.
- No more than 80 hours of unused paid vacation (accumulated from prior years) may be carried forward or banked after December 31st of any calendar year. Any vacation hours in excess of 80 banked will be forfeited (unless they have been grandfathered, or for valid business reasons that are pre-approved by Executive Management).
- An employee’s last day of employment will be the last day work was performed for the Company. Pay for accrued, unused vacation will be included with the employee’s final paycheck.
- Any Company executive with an employment agreement will receive vacation benefits in accordance with the employment agreement.

5.7. Sick Leave

The Company provides seven days of sick leave annually to all regular full-time employees who have completed their first three months of employment and 3.5 days annually to all benefit eligible part-time employees. Sick days for new hires will be prorated in their first year of employment. Project and temporary employees are not eligible for paid sick leave benefits.

- Sick leave may be used for personal illness or injury, or the illness or injury of an immediate family member, defined as spouse, child, or parent. It can also
be used for doctor or dentist appointments for the employee, spouse, children, or parent.

- Sick leave must be used in one-hour increments.
- No more than 80 hours of unused sick leave (accumulated from prior years) may be carried forward or banked after December 31st of any calendar year. Any prior year’s accumulated sick leave in excess of 80 hours on January 1st will be forfeited.
- Sick leave will not be considered hours worked for purposes of determining overtime pay.
- Terminated employees will not be compensated for unused sick leave.

An employee’s supervisor should be notified as soon as possible on the day that an employee or a member of his/her immediate family is sick (if the employee will be utilizing sick leave). Notification requirements may vary by department, but a phone call to one’s supervisor is the preferred method of notification. Employees should confirm their supervisors’ preferred method of notification. A doctor’s release may be required for absences of three days or more.

In lieu of taking sick leave, an hourly employee may request to make up the time within the same work week. When sick leave is exhausted or an unexpected urgent situation occurs, employees may use floating holidays, vacation, or an hourly employee may request to make up the time.

When an employee reduces his/her hours of work below 32 per week (on average) for a three-month period, he/she will no longer earn sick leave until he/she works at least 40 hours per week (on average) for three months.

Sick leave may be integrated with Short- or Long-Term Disability, and will be integrated with Family Medical Leave (FML).

5.8. Bereavement Leave

As with other benefits, bereavement leave is available after three months of employment. Employees should notify their supervisors as soon as possible when taking bereavement leave.

Bereavement leave will be allowed for attending funerals subject to the following guidelines:

- **Death in employee’s immediate family** - Employees will be allowed to use paid bereavement leave to attend funerals of members of their immediate family including spouse, children, parents, grandparents, grandchildren, brothers, sisters or those similarly related to the employee’s spouse. The maximum number of days allowed, depending on the individual situation, out
of town travel requirements, etc., shall be no more than five business days for each occurrence.

- **Other funerals** - An employee may be excused, provided the operation of the Company is not impaired, to attend funerals of others than those listed above, but vacation, floating holidays, or unpaid time off must be used at the employee’s choice.

- **Attending funerals in the interest of the Company** - Certain employees may be designated by their Business Unit Leader to represent the Company at funerals for clients, employees, vendors, or others with significant ties to the Company. Time spent away from work, during regularly scheduled hours, may be treated as time worked in these situations.

In the event of a catastrophic emotional loss, employees may also request unpaid Personal Leave.

### 5.9. Leaves of Absence

**Military**

Any regular full-time or part-time employee who is a member of the U.S. Army, Navy, Air Force, Marines, Coast Guard, National Guard, Reserves or Public Health Service or any other category designated by the President of the United States in time of service or emergency will be granted unpaid leave for military service, training or related obligations. It is the intent of the Company to comply with applicable federal and state laws providing rights to employees on military leave.

Employees are protected under the Uniformed Services Employment and Re-Employment Rights Act (USERRA). Service members, reservists and National Guard members returning to civilian employment after a period of active duty must be re-employed in their same job or a similar one with the status, pay and benefits they would have attained had they never been absent in military service.

The following notice to return to work is required under the provisions of USERRA:

- If active military leave is for more than 180 days, re-employment rights are given to an employee. He/she must return to work no later than 90 days after the completion of active service to receive re-employment rights.

- To be guaranteed re-employment rights under the law, an employee must be honorably discharged.

The Company will not re-employ a discharged military employee upon completion of active duty if:

- Company circumstances have so changed to make re-employment impossible or unreasonable;
• The employee is no longer qualified for the position as a result of a disability and re-employment causes an undue hardship on the Company; or

• The employee held a temporary or project position before going on active duty.

An employee requesting leave under this policy is permitted, but not required, to substitute vacation for unpaid military leave.

Employees must provide advance written or verbal notice to the Human Resources Department of all military duty, unless giving notice is impossible, unreasonable or precluded by military necessity. Notice may be provided by the employee or by the appropriate officer of the branch of military service in which the employee will be serving.

While on military leave, the Company will adjust pay for the time an employee is on leave up to four weeks in a 12-month period. Employee is responsible for submitting any/all pay documentation received from the military to Payroll. This documentation will be used to adjust wages, assuming military pay is less than an employee’s normal Company pay.

Taking approved leave under this policy will not result in the loss of any employment benefits accrued prior to the date on which leave began. If the military leave is less than 31 days, the employee will accrue benefits during the leave period. If the leave is longer than 31 days, the employee will not accrue benefits during the period of unpaid military leave. The employee has the right to accrue service with the Company as if he/she had been on the job during the period of military service. This protection extends to all rights and benefits that the employer determines by length of service.

During a military leave of less than 31 days, an employee is entitled to continued group health plan coverage under the same conditions as if the employee had continued to work. For military leaves of 31 days or more, an employee may elect to continue coverage under COBRA for up to 24 months but will be required to pay 102% of the full premium amount. For employees returning from military service, health insurance coverage will be reinstated without any waiting period or exclusion for pre-existing conditions other than those that would have applied had the employee remained continuously covered. If the employee was dishonorably discharged, re-employment rights are forfeited.

**Family Medical Leave (FML)**

The Family Medical Leave Act (FMLA) allows employees to balance their work and family life by taking reasonable unpaid leave for certain family and medical reasons. The FMLA seeks to accomplish these purposes in a manner that also accommodates the legitimate interests of employers. An employee may have the right to take up to 12 weeks of unpaid FML for any of the following reasons:

• The birth and care of a newborn child of an employee;

• Placement of a child with an employee as a result of adoption or foster care;
• Care of a spouse, child or parent with a serious health condition;
• Treatment resulting from an employee’s serious health condition;
• Any “qualifying exigency” arising from a spouse, child or parent of an employee on active duty, or notification of an impending call to active duty, in support of a contingency operation;
• Care for a service member (spouse, child, parent or next of kin) who is recovering from a serious illness or injury sustained while in the line of duty while on active duty. This leave is calculated for a single 12-month period during which an eligible employee is entitled to a combined 26 weeks of all types of FML.

A “serious health condition” is defined by the FMLA as illness, injury, impairment or physical or mental condition that involves:
• Any period of incapacity or treatment connected with inpatient care (i.e. an overnight stay) in a hospital, hospice or residential medical facility; or
• A period of incapacity requiring absences of more than three calendar days from work, school or other regular daily activities that also involves continuing treatment, or supervision by, a health care provider; or
• Any period of incapacity due to pregnancy or for pre-natal care; or
• Any period of incapacity (or treatment for) a chronic, serious health condition (e.g. asthma, epilepsy, diabetes, etc.); or
• A period of incapacity that is permanent or long-term due to a condition for which treatment may not be effective (e.g. Alzheimer’s, stroke, terminal disease, etc.); or
• Any absence to receive multiple treatments (including any period of recovery) by a healthcare provider for a condition that likely will result in incapacity of more than three consecutive days if left untreated (e.g. chemotherapy, physical therapy, dialysis, etc.)

To be eligible for FML, an employee must be employed by the Company for at least 12 months prior to the request for leave, and must have worked 1,250 hours in the previous 12 months to the start of the leave.

To request FML, employees should contact the Company’s Human Resources Department. However, the employee does not need to specifically request FML. If an eligible employee has a qualifying condition then the employer must designate leave as FML. FML rights cannot be waived and employees cannot interfere with an employer’s obligation to designate the qualifying condition. If an employee misses three consecutive days due to illness, the employee’s supervisor should contact the Human Resources Department.
The 12-month period for calculating available FML begins when an employee first takes FML. Any leave qualifying under the FMLA will be accrued against an employee’s annual FML up to a maximum of 12 weeks.

- **Extended Leave** – May be taken if the qualifying event required the employee to be absent three or more consecutive days. Leave for childbirth, adoption or foster care must be taken in one block of time. In all cases, such leave must be concluded within 12 months from the date of the birth or placement.

- **Intermittent/Reduced Leave** - May be taken when it is medically necessary to care for a seriously ill family member or due to the employee’s serious health condition. Intermittent leave is FML taken in separate blocks of time for a single qualifying reason. A reduced leave schedule is a leave that reduces an employee’s usual number of working hours per week or hours per day. Employees must work with their employer to schedule intermittent leave so as not to unduly disrupt work operations.

- **Combined Leave** - Spouses who are both employed by the Company and are eligible for FML are permitted to take a combined total of 12 weeks during the applicable 12-month period for:
  - the birth and care for a newborn child;
  - placement of a child with the employee for adoption or foster care; or
  - caring for one’s parent (but not parent-in-law) with a serious health condition.

When leave is requested, the Company will require the employee to submit a medical certification form completed by a healthcare provider. Leave cannot be designated as FML until this certification is received. Failure to submit this form within 15 days of notification may result in a delay or denial of leave until the form is received. Absences may be considered unexcused, which may result in disciplinary action, up to and including termination.

**Benefits and Insurance while on FML**

Taking approved FML will not result in loss of any employment benefits accrued prior to the start of the leave. Employees will continue to accrue paid time off during FML, including vacation, sick leave or eligibility for increased benefits based on length of service.

All insurance benefits will continue at existing levels of coverage. The employee must continue to pay the employee portion of his/her insurance premiums during the leave. If payment is not received in a timely manner, insurance may be cancelled with written notice sent 15 days prior to the date that coverage will lapse.

The Company requires employees to use all accrued sick leave, vacation and floating holidays concurrently with FML. If the employee is on paid leave (such as disability or workers’ compensation benefits), the employee is not required to use paid time off benefits.
An employee must report to Human Resources any changes in leave status, restrictions and return to work status. When FML is completed, most employees will be returned to their prior positions or to an equivalent position. If the employee is considered a “key employee,” as defined in 29CFR Section 825.217 of the FMLA, the Company may deny reinstatement to the employee’s former position or an equivalent position. The Company will notify anyone who requests leave, in writing, at the time of the request or shortly thereafter if he/she is considered to be a “key” employee and not eligible for reinstatement. Upon receipt of this notification not to re-instate, the employee may, within 15 days, discontinue leave and return to work.

Prior to returning to work from leave due to one’s own serious health condition, the employee must provide a Fitness for Duty Certification from a healthcare provider. If this certificate (or a medical certificate extending FML) is not provided within 15 days after the approved FML period has ended, and no information is provided regarding one’s expected date of return, then the Company will consider the employee to have voluntarily resigned.

**Non-Family Medical Leave (Personal Leave)**

Personal leaves of absence may be granted to employees under special circumstances such as personal or family crises not involving the health of the employee or family member. Generally, an employee must have been employed at least 90 days before requesting personal leave.

All requests for unpaid personal leave should be requested, with as much notice as possible, through the Human Resources Department.

Unpaid personal leave may be granted for up to 30 days with Human Resources and Business Unit Leader approval. It may be extended at the discretion of the BU Leader or Executive Management.

An employee must exhaust all accrued paid time off benefits (vacation and floating holidays) before requesting unpaid leave. Taking approved leave will not result in the loss of any employment benefits earned prior to the date on which the leave began.

The employee’s health insurance coverage will continue, at the same level and amount as was in effect prior to the leave, for personal leaves lasting 30 days or less. Health insurance coverage will cease at the end of the month in which the 30-day limit is reached. After that, COBRA will be offered.

**5.10. Jury Duty**

Regular full-time and part-time benefit eligible employees will be excused from their work duties for jury duty, and will be paid for hours spent on jury duty as hours worked (up to 40 hours per week or normal hours worked, whichever is less, for up to four weeks of jury duty), provided the employee promptly reports back to work after being dismissed from jury duty. Employees need to bring proof of jury duty to their supervisors.
Temporary, project or non-benefit eligible part-time employees are not eligible for paid jury duty. If asked to serve on a jury, they should let their supervisors know.

5.11. Educational Assistance

The Company may provide educational assistance to eligible employees to encourage development which will be mutually beneficial to the employee and the Company. Regular, full time and part-time benefit eligible employees are eligible after three months of employment. To maintain eligibility, employees must remain active on payroll, perform their job responsibilities satisfactorily, and maintain acceptable attendance through the completion of each course.

Courses must be related to the employee’s current job duties or enhance the employee’s skills and value to the Company in the foreseeable future. The Company has the sole discretion to determine whether a course relates to an employee’s current job duties or to skills needed by the Company in the foreseeable future. Written approval by the Practice Leader and Business Unit Leader prior to the beginning of each semester the employee plans to enroll, must be received for tuition reimbursement to be considered.

Courses will be reimbursed as follows:
- 100% - final grade A
- 90% - final grade B
- 80% - final grade C
- No reimbursement for final grade lower than C

The Company will pay up to $5,250 per year toward a degree (4 years per degree maximum.) The reimbursement maximums may change from year to year.

Educational assistance covers the cost of tuition, books, and fees associated with college-level courses up to the maximum amount per year.

Classes must not interfere with an employee’s job responsibilities unless prior arrangements have been made with the employee’s supervisor, and with Human Resources and Practice Leader approval.

If an employee who receives educational assistance voluntarily separates from the Company within one year of the last educational assistance payment, the employee will be required to repay 100% of the educational assistance payment. Further, the employee agrees to allow any repayments to be deducted from final paychecks, commissions, expense reimbursements or any other amounts owed by the Company.

Non-degree training classes may be requested through training budgets for each Practice.

Professional Certifications and Specialized Training
From time to time, an employee may seek professional certifications such as CCIE, CCNA, PE, PMP, PHR, SPHR, CPA, etc. and may request Company assistance with the cost of the training, certification tests, etc. Certification and licensing may be offered to employees that are required or wish to pursue certification or licensing in their field. Eligibility is determined by the Business Unit and is subject to budgetary guidelines.

Subject to prior written approval by the Practice Leader and the Business Unit Leader, the Company will reimburse for certification, licensing fees and applicable expenses. This includes, but is not limited to, the cost of study materials, exams and certification renewals. The employee will be asked to sign an agreement before any payments toward certifications are made.

If an employee voluntarily leaves the Company within 12 months of payment for the certification, the employee will be required to repay the Company for 100% of the training and certification costs.

5.12. Fitness/Health Club Reimbursement

The fitness health club benefit is offered to encourage employees to pursue, on their own initiative, a healthy lifestyle.

All benefit-eligible employees are eligible after one month of employment. Family members of employees are not eligible for this benefit.

The Company will reimburse up to $60 per year for a fitness/health club membership. Contact Human Resources regarding the process to request reimbursement.
6. SAFETY AND SECURITY

6.1. Safety and Healthful Work Environment

In 1971, Congress enacted the Occupational Safety and Health Act (OSHA). It declares that “each employee has the duty to comply with safety and health standards, and all guidelines, regulations and orders issued pursuant to OSHA which are applicable to his own actions and conduct.” The Company intends to comply with all laws concerning the operation of the business and the health and safety of employees and the public. No employee is required to work at a job known to be unsafe or dangerous to his/her health.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees with ideas, concerns or suggestions for improved safety, or for removing potential hazards in the workplace are encouraged to discuss them with their supervisor, manager, Practice Leader, with the Company Safety Officer, or with the Human Resources Department. Reports and concerns regarding workplace safety issues may be communicated without fear of reprisal.

All on-the-job injuries, no matter how small, must be reported to the employee’s supervisor and to the Human Resources Department in a timely manner.

Workplace monitoring and inspections may be conducted by the Company to ensure safety and security.

6.2. Job-related Injury or Illness

The Company carries Workers’ Compensation insurance. If an employee suffers loss of time and loss of pay due to a job-related injury or illness, he/she may be paid for the lost time by the insurance carrier, in accordance with applicable state Workers’ Compensation laws covering occupational disability. Workers’ compensation insurance covers medical costs related to on-the-job injuries or illness.

Employees should notify their supervisor as soon as possible, but no later than three days, after the illness/injury occurs. The supervisor should notify the Human Resources Department, and Human Resources will file a claim with the Company’s Workers’ Compensation insurance carrier.

Employees returning from Medical Leave are required to provide a physician’s verification of fitness to return to work. To the extent possible, an employee will be returned to his/her former position or offered the first available comparable position for which they are qualified.

All employees on the Company’s payroll are eligible for this benefit.
6.3. Substance Abuse

Purpose:

CHR Solutions recognizes that the state of an employee's health has a great effect on many aspects of employment. An employee's health affects job performance, the safety of the employee and co-workers and his opportunities for continued employment.

The Company also recognizes that alcohol and drug abuse are major health problems today. With this policy, the Company intends to provide employees with the Company's view on substance abuse and to provide guidelines for consistent handling of situations that arise relating to substance abuse.

Policy:

The Company is committed to maintaining a workplace free of alcohol and drugs. To this end, the company will be requiring all employees to pass a drug test. This will be pre-employment drug screen for employees joining after May, 2013. For employees hired prior to May, 2013, a drug screen will be required and coordinated by the local HR Manager. This policy includes post-incident testing (positive results may eliminate or reduce workers' compensation benefits), reasonable suspicion testing, and testing as required for client contract compliance.

We believe alcohol or drug abuse impairs an employee's ability to perform his or her job in a safe and efficient manner. We also believe that alcohol or drug abuse adversely affects an employee's ability to produce the quality product or service that the Company wants to provide and its customers have come to expect.

The Company intends to treat alcohol and drug dependencies as illnesses and will assist employees with substance abuse problems who seek help. Employees who believe that they may have an alcohol or drug abuse problem may seek a confidential referral from the Human Resources Department for a substance abuse program. We encourage employees with substance abuse problems to get treatment at the earliest opportunity. Employees should be aware that their current medical plan offered by the Company may provide benefits for treatment.

If an employee is convicted of violating any criminal drug statute, he/she will be subject to disciplinary action up to, and including termination of employment. An employee is required to report any criminal drug conviction to the Company within five days of conviction, whether work-related or not.

We have adopted the following rules as part of our Human Resource practices:
**Alcoholic Beverages and Drugs:**

An employee who reports to work in a condition unfit to work and under the influence of alcohol or drugs, or who becomes unfit to work during working hours after taking alcohol or drugs, or who is engaged in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance or alcoholic beverage on Company property, including the parking lots, or on Company time, is subject to immediate discharge.

The Company reserves the right to take any and all action deemed to be in its best interests in a given case.

We are committed to addressing substance abuse problems in the Company. To succeed in this effort, we need everyone's cooperation. If we are successful with this program, everyone will benefit by having a safer and better work environment.

**6.4. Smoking/Tobacco Use**

All Company facilities are tobacco-free. Employees, clients and visitors who use tobacco products are required to exit the buildings to smoke or to use any type of tobacco products. Use of tobacco products should be limited to designated outdoor areas only. All tobacco products should be disposed of properly in order to maintain a clean and professional work environment.

**6.5. Pandemic Outbreak**

In the event of a widespread outbreak of a highly contagious disease, such as H1N1, the Company will take proactive steps to protect the health of its employees while continuing to provide services to its clients and ensuring the continuity of business operations.

The Company asks for employee cooperation in preventing the spread of disease in the workplace. By all reports, the best strategy is to use good hygiene, such as frequently washing hands with soapy water, using hand sanitizers, coughing into tissues, etc. During influenza outbreaks, consideration should be given to holding meetings via conference call or webinar vs. face-to-face.

Any employee, who experiences the following flu-like symptoms: fever, cough, sore throat, runny or stuffy nose, body aches, headache, chills, diarrhea, vomiting and/or fatigue, or is diagnosed with any type of flu (including H1N1), should notify his/her supervisor immediately, and should stay at home at least 24 hours after they are free of fever. Employees who report to work ill will be sent home by their supervisors.

Supervisors are required to keep an employee’s Private Health Information (PHI) confidential. However, this information should be disclosed to the Company’s Privacy

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Officer in Human Resources, and may need to be disclosed to government health organizations. The Company may request confirmation of the need to be absent or to return to work from the employee’s physician.

An employee may also need to miss work to care for a family member who has contracted the flu, or to care for children when schools or daycare facilities close. The Company’s normal attendance and leave policies will apply. Telecommuting or alternative work schedules should be considered as an option in these circumstances.

The Company will have a plan for notifying employees, clients, local and state health organizations, and vendors if its business is affected by a pandemic outbreak.

### 6.6. Inclement Weather and Office Closings

The Company will make every effort to maintain regular business hours even during inclement weather. However, there may be times in which extraordinary circumstances may warrant adjustment of office hours or office closures. Employee safety is of utmost importance.

Employees should not travel in weather in which they do not feel safe. The Inclement Weather (IW) Committee (in South Dakota), or a designated member of executive management in each office, will communicate potential weather impact, and based on individual situations, employees will work with their direct supervisors to determine the best option for them.

Every effort will be made to ensure that clients are taken care of, regardless of weather conditions. If it appears that clients will experience any impact from inclement weather, they will be notified, as necessary.

The IW Committee and/or executive management will monitor the reported weather in and around affected offices to determine the most appropriate decision with regard to the operation of the business. The Committee and/or executive management will determine if business hours will be adjusted due to inclement weather and will announce their decision to employees and clients. In most cases, notices and updates about operating hours will be delivered to managers to inform their direct reports. (For this reason, it is important for employees to keep their contact information up-to-date.)

It is each employee’s decision whether or not to travel to the office or request time off when there is inclement weather and his/her office remains open. If an employee is able to work from home due to his/her job responsibilities and has access to files, data, etc., the employee must contact his/her supervisor or manager to request approval to work from home.

If an employee takes paid time off (floating holidays or vacation) instead of reporting for work, the employee must contact his/her direct supervisor to advise him/her of this decision. If the office closes, and the employee is unable to work from home,
he/she may make up the time within the same payroll week or take unpaid time off. Unpaid time off is only available to non-exempt (hourly) employees. Exempt (salaried) employees must use paid time off.

6.7. Building Security

It is important for all employees to ensure the security of Company facilities. At some locations where client data is stored (e.g. Houston, Lubbock, Sioux Falls, and Mitchell offices), access to Company offices and to certain areas within our offices, requires the use of Company-issued identification badges/access cards which are governed by the following guidelines.

- Identification badge or access card should be worn so that it is visible at all times while in Company facilities as assurance of active employment and clearance to be in the facility;
- Under no circumstances should an access card be given to, or used by, someone other than the person to whom it is issued; and
- If a client, vendor or visitor needs access to Company facilities, they must go through the receptionist, Service Desk or Human Resources.

If an employee loses or cannot locate his/her ID badge/access card, he/she should take the following steps:

- Notify Human Resources or the office manager at his/her location as soon as possible to deactivate the missing access card;
- Secure a temporary access card which will be issued by the receptionist (Mitchell), Service Desk Manager (Houston), or designated staff (Lubbock, Sioux Falls, and other locations);
- Secure a permanent replacement card through the above-referenced channels at a cost of $5.

Regular metal keys will be issued to employees working in offices that do not use card access systems. It is the responsibility of all employees to make sure that Company offices are secure before and after regular working hours and on weekends. When an employee terminates employment, he/she must return all access cards and regular keys to his/her supervisor as part of the exit process.

All visitors must check in at the front desk of each office and sign a visitor log. In Houston, Sioux Falls and Mitchell, they will be required to wear visitor badges, and be escorted to their destination by a Company employee. Visitor badges should be returned to the reception/front desk when visitors leave the building.

Family members and former employees are considered visitors and should log in, receive visitor badges, and be escorted at all times by a Company employee. Personal visits should be kept to a minimum. In general, only Company employees...
and other authorized individuals (janitorial company, etc.) should be inside Company offices outside of standard business hours. In no circumstances should children accompany employees to work unless it is for a very short duration, and with the advance approval of an employee’s supervisor. Any children visiting the Company’s offices, whether during or outside of office hours, should be closely supervised at all times.

Whenever possible, an employee expecting a visitor or delivery (business-related or otherwise) should notify the receptionist or administrative personnel in advance of the expected visit or delivery.

Several offices contain secure areas within the Company buildings. Access to these locations is limited to authorized staff via access cards. If an employee needs access to one of these secure areas, he/she should talk to his/her supervisor, who can request access from the appropriate security person (usually the person who issues access cards).

6.8. Emergency Evacuation

Each employee should familiarize himself/herself with the location of the exit doors nearest their work location(s). If a situation occurs that would render occupancy of the office buildings unsafe, immediate evacuation of the premises by all personnel is required. There should be a designated assembly area where roll can be taken, and all personnel can be accounted for.

Potential causes for office evacuations may include:

- Fire in or around the office building
- Flood water in or around buildings
- Smoke in or around buildings
- Gas odor in or around buildings
- Explosion in or near buildings
- Damage to building structure
- Severe weather
- Discretion of management

If a fire occurs, no one should attempt to fight the fire. Employees should exit the facility and call 9-1-1 to report the fire. If the building’s fire alarm has not been activated, employees should activate the alarm system manually at the nearest fire alarm pull box located near all exits, as employees exit the facility. Elevators should not be used in case of fire. When exiting the facility, employees should remain calm and help other employees. It is all supervisors’ responsibility to maintain order during an evacuation and in the outside assembly area. No one should return to the building until the “all clear” signal is given.
If first aid is required, it should be provided by emergency personnel if possible. If there are no trained personnel available, then common sense should prevail. A severely injured person should not be moved unless the potential for greater harm is imminent. If possible, wait with them until emergency personnel arrive and inform a member of Human Resources or management.

6.9. Parking

Parking facilities on Company property are provided for the convenience of employees. The Company is not responsible for damage to, or loss of, automobiles or other personal property in Company parking facilities.

Employees should not leave valuable personal items (such as computers) in plain sight; all valuables should be locked in the trunk or glove compartment.

Employees should not park in handicapped spaces unless they are legally qualified to do so. Parking rules may vary by location. Employees should check with their supervisors to learn the specific parking rules that apply to their office locations.

6.10. Company Property

Employees should exercise care, perform required maintenance, and follow all operating instructions and safety standards when using Company property. Improper, careless, negligent or unsafe use or operation of equipment and/or vehicles may result in disciplinary action up to, and including, termination of employment.

An employee should notify his/her supervisor if any equipment, tools or vehicles appear to be damaged, defective or need repairs. Prompt reporting of damages, defects and the need for repairs could prevent possible injury to employees or others and further deterioration of equipment. Supervisors can answer any questions about employees' responsibility for maintenance and care of equipment or vehicles used on the job.

Company property must be returned immediately upon request or upon termination of employment. The Company may withhold from the employee’s paycheck, the cost of any items that are not returned. The Company will also take all actions deemed appropriate to recover and protect its property.

7. INFORMATION MANAGEMENT

7.1. Computer and Email Use

Before sending an email message, employees should consider whether email is the most effective means of conveying a message. There are times when face-to-face meetings or telephone calls are more effective than email.
The Company provides computers, electronic files, email systems and licensed software to employees for business use. The equipment, services and technology provided to access the Internet remain at all times the property of the Company. As such, the Company reserves the right to monitor Internet traffic and retrieve and read any data composed, sent or received through the Company’s online connections and stored in its computer systems.

Any illegal duplication of licensed software and related documentation is prohibited. Likewise, use of the Company’s email in ways that are disruptive, offensive or harmful to others is prohibited. The display or transmission of sexually explicit images, messages or cartoons is not allowed. Other types of misuse may include, but is not limited to, ethnic or racial slurs, off-color jokes, or anything that may be construed as harassment or disrespectful of others.

Email may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or non-business matters. Employees who violate this policy will be subject to disciplinary action up to, and including termination.

All email messages sent to external clients must follow corporate brand guidelines for format consistency. All messages being sent to external clients should be reviewed for spelling, grammar, etc. before sending. Exercise caution and review an entire email string before forwarding emails from others. An exiting employee should not send emails to clients, co-workers and/or vendors announcing his/her departure or future plans.

All data stored on the network or on Company computers is the sole property of the Company and should not be deleted or damaged when an employee resigns or leaves the Company. All email messages, regardless of the subject, author or recipient, are regarded as the sole property of the Company.

Any questions regarding this policy should be referred to the Chief Information Officer.

7.2. Internet Use

The Company provides its employees with Internet access to assist them in obtaining work-related data and information. The Internet is a business tool to be used for business purposes. The equipment, services and technology provided to access the Internet remain at all times the property of the Company. As such, it reserves the right to monitor Internet traffic and retrieve and read any data composed, sent or received through Company online connections and stored in its computer systems.

All Internet data that is composed, transmitted or received via Company computer systems is considered to be part of the official records of the Company and is subject to disclosure to law enforcement officials and/or other third parties. Consequently, employees should always ensure that the business information contained in email messages and other transmissions is accurate, appropriate, ethical and lawful.
The unauthorized use, installation, copying or distributing of copyrighted, trademarked or patented material on the Internet is prohibited. As a general rule, if an employee did not create material, does not own the rights to it, or has not gotten authorization for its use, it should not be placed on the Internet.

Internet users should take necessary anti-virus precautions before downloading or copying any file from the Internet. All downloaded files are to be checked for viruses; all compressed files are to be checked before and after decompression.

Abuse of Internet access provided by the Company in violation of laws or Company policies will result in disciplinary actions up to, and including, termination. Employees may also be held personally liable for violations of this policy. The following are examples of actions and activities that could result in disciplinary action:

- Sending or posting discriminatory, harassing or threatening messages or images
- Using the Company’s time and resources for personal gain
- Stealing, using or disclosing someone else’s password without authorization
- Copying, pirating or downloading software and electronic files without permission
- Sending or posting the Company’s or clients’ confidential information, trade secrets or proprietary information outside the Company
- Violating copyright laws
- Failing to observe licensing agreements
- Sending or posting messages that could damage the Company’s image or reputation
- Participating in the viewing or exchange of pornography or obscene materials
- Sending or posting messages that defame or slander someone
- Attempting to break into the computer system of another organization or person without authorization
- Sending or posting chain letters, solicitations or advertisements not related to Company business or activities
- Using the Internet for political or religious causes or activities
- Using the Internet to gamble
- Jeopardizing the security of the Company’s electronic communication systems
- Passing off personal views as representing those of the Company, for example, on political websites
• Engaging in any other illegal activities

If a supervisor suspects an employee is using the Internet or email inappropriately, and wishes to monitor the employee’s Internet/email use, such requests must be discussed with, and approved by, Human Resources or by a senior Company officer. Supervisors may restrict employees’ Internet use if it interferes with their job duties.

Questions about this policy should be directed to the Chief Information Officer.

7.3. Social Networking Sites

Use of social networking sites (e.g. Facebook, Twitter, personal blogs, etc.) during the work day should complement and support, not interfere, with an employee’s work. Any use of the Company’s name, trademarks, logos, or proprietary information must be approved in advance before posting to a social networking site. The Company retains the right to monitor employee use of social networking sites, whether they are being accessed at work or away from work.

Employees should realize that social network sites are readily available to the public, including the Company’s clients, and exercise good judgment when expressing opinions online. If any personal reference is made to the Company’s business, the site should carry a disclaimer that all views expressed are the employee’s, not the Company’s.

No Company or client confidential and/or proprietary information should ever be disclosed on a social networking site. Copyright laws should be respected and followed.

No comments that would be considered harassing, discriminatory or unethical should be posted or communicated via a social network, especially if linked in any way to the Company. Such disclosures may result in disciplinary actions up to, and including termination.

7.4. Purchase of Information Technology (IT) Hardware & Software

All IT hardware and software purchases, whether for internal use or for delivering client services, are supported by our Managed Services group and must fit into the overall IT/network strategy of the Company.

As needs arise, requirements (or specific hardware/software requests) should be submitted to the Company’s Service Desk. Sufficient time should be allowed for each request to be reviewed by the Chief Information Officer for fit with corporate strategy and implementation and support requirements. Requests sent to the Service Desk will be tracked, followed and closed only when the requirements are met.

Employees who wish to download a new program or a new version of an existing program should check first with the Service Desk. Software will be acquired by the Managed Services group and installed on employees’ systems for them unless
special circumstances exist. All software patches are managed by an automated
system on the Company’s LAN. When a notice appears that new software is available,
employees should accept and install these updates.

Software licensing is maintained by Managed Services and any installed software
should be reported to the Managed Services Department, along with proof of
purchase. (All purchases must go through this department.) These licenses will be
stored and maintained for ease of auditing, should the need arise.

7.5. Computer Assignments

When an employee is hired, his/her supervisor will complete an Equipment Request
form indicating the type of computer, monitor, and software that the employee will
need based on job requirements.

A laptop computer may be the best choice if:

• Employees travel frequently to and from client sites as part of their job; or

• Employees work from home a great deal of the time.

Laptops and other Company-owned computer equipment must be returned to the
employee’s manager when the employee terminates employment. This is true for
temporary employees, even if they may return to work for the Company in the future.
(This practice allows the Company to properly maintain and update the computers.)
The employee must not erase the computer’s contents before returning it. The
manager must return the computer to the Service Desk within three days of the
employee’s termination date.

The employee to whom the laptop is issued is responsible for its security and care.
Appropriate precautions must be taken to prevent damage or loss/theft of the
computer. Laptops should not be left in an unsecured location. When transported by
automobile, the computer should be placed out of sight in the trunk. The employee
will be responsible for certain costs to repair or replace the computer if damage or
loss is due to negligence or intentional misconduct.

If a laptop is lost or stolen, either on or off the work site, the incident must be
reported to the employee’s manager and to local police immediately. A copy of the
police report must be provided to the Managed Services Department within 24 hours
of filing the report. Failure to secure a police report may result in personal liability for
replacement costs.

7.6. Mobile Telephones

The Company may issue mobile telephones to employees who are frequently out of
the office conducting Company business with the following provisions: standard
mobile telephones and Company calling plans will be used to control costs. The
types of positions for which the Company may issue a mobile telephone are those
involving frequent travel and time spent away from the office, i.e. executives, sales persons, account managers, project managers, IT personnel, engineers, etc.

In order to receive the best volume discounts, the Company has secured a standard mobile telephone and calling plan with Verizon to be used by authorized employees for Company business. If, due to coverage issues, the employee wishes to use another mobile telephone carrier, he/she may be eligible to receive a monthly stipend to cover business-related expenses. Mobile telephone stipends will be approved on an exception basis by the employee’s Practice and Business Unit Leaders. **Mobile telephone expenses should not be submitted for reimbursement on expense statements!**

The Company may offer data services in addition to voice services, but not all employees may be given access to all services. Approval is subject to Practice and Business Unit Leaders per Company IT standards.

Company-issued mobile telephones should be used primarily for Company, not personal, business since employees share “pooled” minutes in the plan. If an employee’s excessive personal use causes him/her to exceed allotted minutes, the employee may be charged for any overages.

Employees should not operate a vehicle while talking or texting on a mobile telephone, nor should they discuss confidential matters such as legal, financial or client-sensitive issues. Employees charged with traffic violations resulting from the use of a mobile telephone while driving are solely responsible for all liabilities that result from such action.

Employees should protect Company-issued mobile telephones from damage, theft or loss. If a mobile telephone is damaged or lost due to employee negligence, the employee will be responsible for replacement costs. The Company is not responsible for personal mobile telephones that are lost or damaged in the workplace.

Employees must protect any and all information contained in the mobile telephone including, but not limited to, email, attachments to email, telephone lists, contact information, text messages and other information, regardless of whether it might be considered confidential information (same as Computer and Email Use Policy 7.1).

Upon resignation or termination, or upon Company request for any reason, an employee must return any Company-owned mobile telephone. If the telephone is not returned, the cost of the telephone and any usage fees will be deducted from the employee’s final paycheck, expense reimbursement or any other monies due the employee.

The employee acknowledges that the Company may choose to monitor information on the mobile telephone in a like manner as has been adopted in Computer and Email Use Policy 7.1 and Internet Use Policy 7.2.
7.7. Virus Protection

This policy applies to all CHR employees, contractors, vendors and agents with a CHR-owned or personally owned computer or work station that connects to the CHR network. It applies to remote access connections used to do work for CHR including reading or sending email and viewing intranet web resources. Remote access implementations covered by this policy include but are not limited to dial-in modems, frame relay, ISDN, DSL, VPN, SSH and cable modems. Anyone with access privileges to the CHR network, either remotely or directly, should always run the corporate standard, supported anti virus software or a CHR approved and functionally comparable anti-virus software with the most current updates to the application and virus signature files applied.

Employees must acknowledge this policy before establishing any remote connections.

- Never open any files or macros attached to an email from an unknown, suspicious or untrustworthy source. Delete these attachments immediately then empty your Deleted Items folder.
- Always delete spam, chain emails and other junk email without forwarding them
- Never download files from unknown or suspicious sources
- Avoid direct disk sharing with read/write access unless there is a business requirement to do so
- Scan external drives (diskettes, CDs, USB drives, etc.) from unknown sources for viruses before using them
- Backup critical data and system configurations on a regular basis and store the data on the network or in another secure place
- If lab testing conflicts with anti-virus software, run the anti virus utility to ensure a clean machine, disable the software, then run the lab test. After the test, enable the anti-virus software. When the anti-virus software is disabled, do not run any applications that could transfer a virus; e.g. email or file sharing

Any employee found to have violated this policy may be subject to disciplinary action up to and including termination of employment.

7.8. Password Protection

Passwords are an important aspect of computer security. They are the front line of
protection for user accounts. A poorly chosen password may result in the compromise of CHR's entire corporate network. As such, all CHR employees (including contractors and vendors with access to CHR systems) are responsible for taking the appropriate steps, as outlined below, to select and secure their passwords.

The purpose of this policy is to establish a standard for creation of strong passwords, the protection of those passwords, and the frequency of change.

The scope of this policy includes all personnel who have, or are responsible for, an account (or any form of access that supports or requires a password) on any system that resides at any CHR facility, has access to the CHR network, or stores any non-public CHR information.

- All user account passwords must be changed on at least a quarterly basis (every 90 days).
- All production system-level passwords must be part of the administered global password management database.
- User accounts that have system-level privileges granted through group memberships or devices such as routers must have a unique password from all other accounts held by that user.
- Passwords must not be inserted into email messages or other forms of electronic communication.
- Where SNMP is used, the community strings must be defined as something other than the standard defaults of "public", "private" and "system" and must be different from the passwords used to log in interactively. A keyed hash must be used where available (e.g., SNMPv2).
- All user-level and system-level passwords must conform to the guidelines described below.
- The system remembers the last 5 passwords used for an account and they cannot be re-used.

Passwords are used for various purposes at CHR. Some of the more common uses include: user level accounts, web accounts, email accounts, screen saver protection, voicemail password, and local router logins. Since very few systems have support for one-time tokens (i.e. dynamic passwords which are only used once), everyone should be aware of how to select strong passwords.

Poor, weak passwords have the following characteristics:

- The password contains less than eight characters
- The password is a word found in a dictionary (English or foreign)
- The password is a common usage word such as:
  - Names of family, pets, friends, co-workers, fantasy characters, etc.
  - Computer terms and names, commands, sites, companies, hardware, software.
  - The words "CHR ", "welcome", or any derivation.
Birthdays and other personal information such as addresses and phone numbers.
- Word or number patterns like aabbbb, qwerty, zyxwvuts, 123321, etc.
- Any of the above spelled backwards.
- Any of the above preceded or followed by a digit (e.g., secret1, 1secret)

Strong passwords have the following characteristics:

- Contain both upper and lower case characters (e.g., a-z, A-Z)
- Have digits and punctuation characters as well as letters e.g., 0-9, !@#$%^&*(_+|~-=\[]\);":<>?,./)
- Are at least eight alphanumeric characters long.
- Are not a word in any language, slang, dialect, jargon, etc.
- Are not based on personal information, names of family, etc.
- Passwords should never be written down or stored on-line. Try to create passwords that can be easily remembered. One way to do this is create a password based on a song title, affirmation, or other phrase. For example, the phrase might be: "This May Be One Way To Remember" and the password could be: "TmB1w2R!" or "Tmb1W>r~" or some other variation.

NOTE: Do not use either of these examples as passwords!

Do not use the same password for CHR accounts as for other non-CHR Access (e.g., personal ISP account, option trading, benefits, etc.). Where possible, don't use the same password for various CHR access needs. For example, select one password for the Timeshare systems and a separate password for your production systems. Also, select a separate password to be used for client login accounts.

Do not share CHR passwords with anyone, including administrative assistants or supervisors. All passwords are to be treated as sensitive, confidential CHR information.

Here is a list of "don't's":

- Don't reveal a password in an email message
- Don't reveal a password to your manager
- Don't talk about a password in front of others
- Don't hint at the format of a password (e.g., "my family name")
- Don't reveal a password on questionnaires or security forms
- Don't share a password with family members
- Don't reveal a password to co-workers while on vacation

Do not use the "Remember Password" feature of applications /web pages (e.g., Eudora, Outlook, Netscape Messenger).
Do not write passwords down and store them anywhere in your office. Do not store passwords in a file on ANY computer system (including Palm Pilots or similar devices) without encryption.

Change your password soon after receiving system notification of password expiring.

Password “cracking” or guessing may be performed on a periodic or random basis by Production Support. If a password is guessed or cracked during one of these scans, the user will be required to change it.

If someone requests your password, refer them to this document or have them call the Service Desk.

If an account or password is suspected to have been compromised, report the incident to the Service Desk and change all passwords.

### 7.9. Remote Access

The purpose of this policy is to define standards for connecting to CHR’s network from any host. These standards are designed to minimize the potential exposure to CHR from damages which may result from unauthorized use of CHR resources. Damages include the loss of sensitive or company confidential data, intellectual property, damage to public image, damage to critical CHR internal systems, etc.

This policy applies to all CHR employees, contractors, vendors and agents with a CHR-owned or personally-owned computer or workstation used to connect to the CHR network. This policy applies to remote access connections used to do work on behalf of CHR, including reading or sending email and viewing intranet web resources. Remote access implementations that are covered by this policy include, but are not limited to, dial-in modems, frame relay, ISDN, DSL, VPN, SSH, cable modems, etc.

It is the responsibility of CHR employees, contractors, vendors and agents with remote access privileges to CHR's corporate network to ensure that their remote access connection is given the same consideration as the user's on-site connection to CHR.

General access to the Internet for recreational use by immediate household members through the CHR network on personal computers is permitted for employees that have flat-rate service. The CHR employee is responsible to ensure the family member does not violate any CHR policies, does not perform illegal activities, and does not use access for outside business interests. The CHR employee bears responsibility for the consequences should the access be misused.

Employees must acknowledge this Policy before establishing any remote access connections.
The following are standards for remote computer access:

- Secure remote access must be strictly controlled. Control will be enforced via one-time password authentication or public/private keys with strong pass-phrases. For information on creating a strong pass-phrase see the Password Protection Policy.

- At no time should any CHR employee provide his or her login or email password to anyone; not even family members.

- CHR employees and contractors with remote access privileges must ensure that their CHR-owned or personal computer or workstation, which is remotely connected to CHR's corporate network, is not connected to any other network at the same time, with the exception of personal networks that are under the complete control of the user.

- CHR employees and contractors with remote access privileges to CHR's corporate network must not use non-CHR email accounts (i.e., Hotmail, Yahoo, AOL), or other external resources to conduct CHR business, thereby ensuring that official business is never confused with personal business.

- Routers for dedicated ISDN lines configured for access to the CHR network must meet minimum authentication requirements of CHAP (Challenge Handshake Authentication Protocol, which uses a one-way hashing function.)

- Reconfiguration of a home user's equipment for the purpose of split-tunneling or dual homing is not permitted at any time.
  
  o **Split-tunneling** is simultaneous, direct access to a non-CHR network—such as the Internet or a home network—from a remote device such as a PC, PDA, etc., while connected into CHR's corporate network via a **VPN** tunnel. **VPN**, or Virtual Private Network, is a method for accessing a remote network via “tunneling” through the Internet.
  
  o **Dual homing** is having concurrent connectivity to more than one network from a computer or network device.

- Frame Relay must meet minimum authentication requirements of **DLCI** standards. Non-standard hardware configurations must be approved by IT.

- All hosts that are connected to CHR internal networks via remote access technologies must use the most up-to-date anti-virus software, this includes personal computers. Personal equipment that is used to connect to CHR's
networks must meet the requirements of CHR-owned equipment for remote access.

- Organizations or individuals who wish to implement non-standard remote access solutions to the CHR production network must obtain prior approval from IT.

7.10. System Monitoring
The Company issues all servers and workstations with the Kaseya application installed. Kaseya is a tool that is used to monitor computer health, ensure Windows updates are applied, and allow remote access to systems for trouble shooting purposes. It is used for imaging, deployment, audit, inventory records, downloading antivirus protection, system monitoring, and other essential IT-related activities. Therefore, employees should always keep the Kaseya application running and installed on all systems. It is against corporate policy to remove Kaseya or any corporate standard application. Abuse of this policy may result in disciplinary actions up to, and including, termination.

8. ACCOUNTING, FINANCE AND ADMINISTRATION

8.1. Department Operations
All Company employees will perform their respective responsibilities in a manner that supports achieving Company goals and objectives in accordance with our values. By definition, these activities will overlap and are interrelated, but have clear primary and supporting roles at each stage of the business cycle to include the sales proposal/engagement, project management/functional delivery steps and billing/collecting for services.

8.2. Schedule of Authority
The Company’s business plan is based on the premise that efficient operations require decision-making at all organization levels that is coordinated and consistent with the Company’s mission and goals. The structure to facilitate this process includes a clear set of policies, an annual approved budget, and delegation of authority, which relates to contract commitments, capital expenditures, operating expenses, and account write-offs.

The Schedule of Authority delegates selected authority from the Board/Chief Executive Officer to Company executives and managers to enable them to perform their job responsibilities in an effective manner by making purchases, entering into contracts and granting billing concessions. When purchasing IT hardware and software, managers must follow the stated Company policy.
Exceptions to the Schedule of Authority may only be granted by the Chief Executive Officer or Chief Operating Officer.

8.3. Travel and Entertainment

The Company will reimburse employees for travel and reasonable and necessary entertainment expenses incurred while employees are conducting Company business. Expenses must be in accordance with Company policy, in compliance with IRS requirements, and supported with proper documentation and management approval.

The Company will effectively manage travel and entertainment (T&E) expenses by using a contracted travel agency to coordinate travel arrangements, hotels with corporate discounts, rental car agencies with corporate discounts, and corporate credit cards. To use the Company travel agency, Egencia (www.egencia.com), please visit the Travel section of the Company Intranet, VIBE, and complete the online Egencia Travel Profile form in order to provide frequent flyer numbers, preferences, payment information, etc. Questions regarding corporate travel programs should be directed to corporate administrative personnel. Egencia contact numbers are:

- Phone Support: +1 (877) 535-0231 or +1 (702) 939-2532
- Email Support: teamagents@customercare.expedia.com
- Online Traveler Center: http://corporate.expediacustomer.com/daily/service/default.asp

Employees should charge travel expenses to an individual or corporate credit card or pay cash. Travel advances are available on an exception basis if an employee does not have a personal or corporate credit card. All travel advances must be approved by the Chief Operating Officer or Chief Financial Officer. If the cash advance exceeds the employee’s actual expenses, the remaining funds should be returned to the Company with the expense report. If the remainder is not returned, it will be deducted from the employee’s paycheck within 30 days of issuance.

Air Travel
Employees should purchase air travel at least 14 days in advance to receive the best discounted fares. All air travel must be approved in advance by the employee’s manager. If a trip is booked less than 14 days in advance, the expense requires the additional notification of a Practice Leader. Employees should always travel coach class. An employee’s preferred airline may be used if cost and time for travel is the same or less than other airlines.

Lodging
The Company has negotiated corporate rates with hotels in cities where our offices are located to serve as preferred lodging for Company employees and clients. Information about these hotels and corporate rates can be found on the Company
Intranet, VIBE. The Company will not pay for amenities such as in-room movies. Only employees staying overnight more than five evenings may submit laundry charges for reimbursement. The Company will not pay for personal items which would normally be purchased at home. Employees should use their mobile telephones instead of telephones in hotel rooms.

**Meals and Entertainment**

Employees should make every attempt to choose reasonably-priced restaurants for meals when traveling. The company will reimburse up to $10 for breakfast, $15 for lunch and $25 for dinner (exclusive of taxes and tips) per person unless the employee is dining in a high cost city. These amounts are the total the company will pay for food and drinks.

For tax purposes, it is important to properly document entertainment expenses. All participants must be listed on the expense report. Employees who entertain clients or prospective clients may submit a limit of two alcoholic beverages per employee for expense reimbursement.

Employees must submit detailed receipts, not just credit card bills, for all purchases over $25.

**Per Diem**

Employees who work on projects away from their office locations for extended periods of time (such as Engineering Field Services and Software Activations employees) will be paid a daily per diem for meals and lodging. (All other employees should turn in receipts with expense reports.) The per diem amount is determined by taking 75% of the CONUS Standard Rate as provided in IRS Publication #1542. Per diem rates are updated by Accounting annually. Home travel trips, which are defined as any trips away from the client site/project that are not required by the Company, are not reimbursable by the Company and must be taken when the employee is not scheduled to work.

**Rental Cars**

Employees should always utilize the least expensive method of travel that meets scheduling requirements. Employees should use a rental car vs. personal car if a trip is more than 100 miles (one way). Rental cars should be returned with the gasoline tank filled to avoid refueling charges. The Company does not pay for GPS devices as a rental car option. Employees are expected to the CHR corporate contracted vendors (Avis/Budget Rental Cars) if available. Supplemental auto insurance coverage should be declined, as liability and collision coverage on rental cars is provided by the Company’s insurance policy and/or rental car agreement. An employee’s personal auto insurance will cover damage to an employee’s personal vehicle driven on company business.

**Mileage**
When driving a personal vehicle on company business, mileage charges may be expensed. Gas is included as part of the mileage reimbursement. The mileage reimbursement amount is set by the IRS annually (go to Vibe, Project Execution, End Users, Expense Reimbursement Schedule for the current reimbursement rate). If a family member or friend travels with an employee on a business trip, the employee will be responsible for the other person’s airfare and meal expenses. Any exceptions must be approved by the Chief Operating Officer or Chief Financial Officer.

**Expense Reimbursement**

All expenses should be submitted within 30 days of being incurred. Any expenses submitted more than 60 days from the date of the transaction will not be reimbursed unless approved by the Chief Financial Officer. Original receipts must be scanned and attached electronically to the expense report. Falsifying expense reports will result in disciplinary action up to, and including, termination of employment. Upon separation from the Company, all eligible expenses and receipts must be submitted within 30 days from the termination date to be reimbursed.

### 8.4. International Travel

**Eligibility**

Active benefit-eligible United States-based employees requested to travel from the U.S. to client sites in designated international locations. Specific policy exclusions will be designated below.

**Expense Reimbursement and/or Per Diem**

For most projects, the method of per diem vs. reimbursement for actual expenses is dictated during the negotiation of the contract between the client and the Company. If applicable, daily per diem rates may include one or more of the following: meals, lodging, incidentals, etc. The employee will be notified of per diem information prior to traveling.

If applicable, daily per diem rates will be determined by the Company using the appropriate resources published by U.S. Department of State and/or the Internal Revenue Service.

**International Premium Pay**

Excludes Chief Executive Officer, Chief Operating Officer, Presidents, Senior Vice Presidents, VPs, Directors, and/or employees eligible for Sales Incentive Compensation Plan).

For eligible international assignments in which employees are working in countries with current travel warnings according to the U.S. Department of State listing (http://travel.state.gov/travel) and/or countries that have been included in the Department of State’s Danger Pay Listing (http://aoprals.state.gov/Web920/danger_pay_all.asp), the Company will provide
additional compensation to eligible employees via daily flat rate amounts above and beyond regular per diem rates. Employees working in such countries are eligible for international premium pay according to the rates listed below if the country’s danger pay percentage (according to U.S. Department of State’s Danger Pay Listing) is between:

- 16% - 25% = $40.00 per day premium pay
- 26% - 35% = $70.00 per day premium pay

Daily premium pay begins on the day in which the employee arrives at the destination country in which he/she will perform work and ends on the day of departure from said country.

Other International Premium Pay would be determined and approved on a case by case basis, taking into consideration the project location, length of time in country of assignment, and other relevant circumstances.

International Premium Pay is processed through Payroll, treated as income, and subject to applicable taxes.

Unless covered as part of per diems, the Company will subsidize suitable temporary housing and transportation while employee is in country of assignment. The Project Manager or the employee’s direct manager will work with employee as necessary to make appropriate arrangements.

**Air Travel**

Employee will fly coach class unless extenuating circumstances or other valid reasons for exception apply. In such cases, the employee must receive written consent of Executive Management prior to booking travel. Upgrades beyond coach are at the employee’s expense unless approved by Executive Management.

The Company will reimburse all fees associated with securing the required passport, applicable work visa, and any required vaccinations.

**Mobile Telephones**

If an employee has a Company mobile telephone, he/she should send a member of corporate administrative staff an email containing the dates that he/she will be traveling internationally, so that the plan can be converted to “international,” and/or the employee should consider using Skype (a proprietary software application that allows users to make voice calls over the Internet) while traveling.

**Procedures**

Due to time zone differences and norms of the country of assignment, hours and work schedule while in country of assignment will be determined by the Project Manager or Department Manager, according to the needs of the project and in accordance with applicable legal requirements.
Employees are responsible for entering time daily and submitting their semi-monthly timesheet through Open Air.

If the employee is responsible for booking his/her own travel, accommodations, etc., employee should coordinate with Project Manager or his/her direct manager on details and itinerary prior to booking. Whenever possible, all international trips should be booked a minimum of 14 days in advance.

If any of the above expenses are not directly billed to the Company (unless covered by per diem), the employee may be required to pay for expenses using a personal credit card and submit the expenses for reimbursement using the Company’s expense reimbursement process. In such cases, if the employee uses a personal credit card, debit card, or automated teller machine and is assessed additional fees, he/she may submit those receipt(s) for reimbursement as well.

**Travel to Bangalore, India**

From time to time, employees will travel to the Company’s offices in India and expenses will not be billable to a client. Once an employee arrives in India, transportation arrangements should be coordinated with personnel in the Bangalore office. Travel costs (meals, taxis, lodging, etc.) will be expensed.

**8.5. Corporate Credit Cards**

An employee who travels frequently on Company business and is not eligible for per diem may request to participate in the Company’s corporate credit card program (currently with *American Express*). When an employee is hired, his/her supervisor should request a corporate credit card, if needed. Issuance of a corporate credit card is subject to the approval of the credit card company based on an employee’s personal credit, as well as that of the Company. The Company will reimburse the annual credit card fees.

The Company will reimburse the employee’s expenses according to the Company’s expense reimbursement policy and the employee is required to pay the balance of the credit card in full by the due date each month. If an employee fails to make timely payment, the entire Company’s corporate card program may be jeopardized. **The corporate credit card must not be used for personal, non-business purchases.** If a card is used for non-business purchases or the employee does not pay the entire balance by the due date each month, the card is subject to cancellation by the Company or by American Express.

When an employee leaves the Company, the balance on the corporate credit card account must be paid in full. If there is a balance owed on the card, the Company will deduct the balance from any monies due to the employee, i.e. paycheck, expense reimbursement, etc. and will pay the credit card company directly.
8.6. Driving On Company Business

This policy applies to all employees who drive a vehicle in the performance of any function of their job on behalf of the Company (whether the vehicle is owned, leased, rented or borrowed).

The definition of a “vehicle” in this policy does not include motorcycles, motorized scooters, private airplanes, motor homes, travel trailers and other non-traditional vehicles. The Company does not permit employees to operate these excluded vehicles on its time and/or in the performance of their jobs.

Employees who drive their personal vehicles on Company business are subject to the following requirements:

- Maintain auto liability insurance of $100,000 per person, $300,000 per accident and $100,000 in total property damage at minimum;
- Maintain current state vehicle inspections;
- Maintain vehicle in safe operating condition;
- Send proof of insurance (copy of declaration page) annually to the Human Resources Department;
- Maintain acceptable Motor Vehicle Record (MVR); and

Any employee not having adequate insurance coverage will be given 90 days from the effective date of this policy to make the required changes and provide the appropriate proof of insurance.

In order to drive a vehicle for Company business purposes, employees must have a valid driver’s license without any inhibiting restrictions that would impair them from legally and safely operating the vehicle.

If an employee’s position requires that he/she drive a vehicle and his/her license is suspended, revoked and/or he/she has been charged with, or convicted of, driving under the influence of alcohol or drugs (prescription or otherwise), and/or has had any health issues, temporary or permanent, that may impair his/her ability to safely operate a vehicle, he/she is required to notify his/her supervisor and Human Resources immediately.

If an employee’s position is one that requires driving, and he/she does not have a valid driver’s license, his/her employment may be subject to termination. Falsifying the validity of a driver’s license will result in disciplinary action up to, and including, termination of employment.

Employees and their passengers must always wear seatbelts and shoulder harnesses, and comply with traffic laws at all times. Any fines incurred by the employee are the sole responsibility of the employee to pay. Employees must not type text messages or talk on their mobile telephones while driving.
Any vehicular accident occurring while on Company business must be reported to authorities as soon as possible. A complete, accurate, written accident report must be submitted to the proper authorities in a timely manner unless the employee is physically or mentally unable to do so. If an accident occurs, an employee must notify his/her supervisor or a Company officer as soon as reasonably possible. The employee involved in the accident should request a copy of the accident report from authorities and provide the accident report to Corporate Administration. The Company may require a drug test if an accident occurs.

**Automobile Stipend**

Employees who travel regularly to client sites and/or on Company business may be eligible for a monthly automobile stipend instead of filing expense reimbursements for mileage, parking, gasoline, tolls, etc. Typical positions that may be eligible for automobile stipends are sales, IT Managed Services employees required to drive to client sites, and executives. Automobile stipends must be pre-approved by the Practice and Business Unit Leaders. They are meant to cover mileage (up to 100 miles one way), parking (except for airport parking), gasoline and tolls. Automobile stipends are considered taxable income by the IRS.

If a trip is more than 100 miles, a rental vehicle should be considered, though the employee should compare the cost of a rental vehicle, parking, and self-service fuel costs with current mileage reimbursement rates for personal vehicles, in order to reach the most cost-effective decision.

Adjustments to the policy may be allowed for additional mileage, tolls and parking with Practice Leader and Business Unit leader approval.

**Mileage Allowance**

The rate for mileage reimbursement is typically the rate allowed by the IRS, as authorized annually by the Company’s Chief Financial Officer. Mileage reimbursement is generally not available to employees receiving automobile stipends unless they travel more than 100 miles one way. The mileage reimbursement is meant to cover the operating cost of using a personal automobile including maintenance, depreciation, repairs, gas, oil, insurance, etc. Commuting distance between one’s home and the office is not considered reimbursable mileage.

Employees must document the date, business purpose, destination, project code and mileage. Employees may charge mileage:

- To and from a project or client location on short duration visits;
- To and from a project at the beginning and end of a lengthy project, as for extended supervision or inspection of construction;
- For miscellaneous errands on behalf of the Company (e.g. post office, FedEx location, office supply store, to pick up meals, etc.); and
- When attending Company-sponsored training.
8.7. Document Management/Retention

Documentation takes the form of engagement contracts, letters, change orders, reports, billing, employee time and expense charges, client contacts of all types (letters, emails, telephone calls, meeting notes), test/inspection reports, bids, etc.

There are, and will be, a range of options for hard/electronic storage and retrieval capabilities. Records will be administered such that capture, storage and retrieval can be accomplished in a cost-effective, secure manner.

Employees will store and maintain business documents following approved document management procedures. These procedures will provide a Company-wide framework for all data storage methods including paper, electronic and email. Having a common framework will help the Company store and retrieve data more efficiently and reduce costs.

**Electronic/Paper Files**

All electronic client documentation will be stored in a storage system, accessible to multiple employees on a need-to-know basis, in a manner that is easily located by client and by project. These electronic storage systems shall be backed up on a regular schedule to protect against data loss. As a result, paper copies of documents should be printed and centrally filed only on an exception basis or as required by regulations. All client-related paper documentation including incoming faxes, postal mail and outgoing correspondence shall be scanned and stored electronically in a publicly accessible storage system by client, then in separate electronic folders for outgoing and incoming correspondence.

**Emails**

Copies of client deliverables and important email message chains may be saved to the client’s file folder on the server as needed, e.g. by using the Outlook “save as” feature. Alternatively, those emails may be sent bcc: to a centralized address for filing as needed. The Company backs up user email folders on a regular basis. Messages copied to each user will be stored in a folder by client.

Original documents, drawings, and files should never be removed from Company offices unless approved by Business or Practice Leaders.

The Company will retain business records that contain relevant information in support of its operations for periods that will satisfy varying needs using the following general guidelines:

- Corporate Business/Financial Records: Permanently
- Business Unit Records: 7 years
- Financial Records: 7 years
- Accounting Records: 7 years
• Payroll Records  Permanently
• Human Resources Records  7 years
• Email  7 years

Specific guidelines will be established by the senior executive in charge of the above functional areas.

**8.8. Obsolete Equipment and Furniture**

The Company purchases and maintains computer equipment, furnishings and office equipment needed to operate its business. It will dispose of equipment and other assets that become obsolete in a manner that maximizes the salvage value of the items. These items are expensed or capitalized and depreciated in accordance with Generally Accepted Accounting Principles (GAAP).

Computer equipment that is greater than four years old will be sold at fair market value with approval of the Chief Information Officer.

Any furniture deemed surplus will be sold at fair market value. Approvals for furniture sales include the Director of Corporate Administration, who maintains inventory records and coordinates needs, and the Chief Financial Officer.

All sales must be documented with a Disposition of Assets form.
9. TIME ENTRY AND PAYROLL

9.1. Business Hours

Business hours may vary by office location. In general, core business hours are 8 a.m. to 5 p.m., Monday through Friday. However, offices may adopt different starting, ending and lunch times, based on variables such as local traffic, client and/or business needs, deadlines, etc. Employees should check with their supervisors regarding the office hours at their particular location.

Employees may request to work a flexible schedule, generally described to be between 7:00 a.m. and 6:30 p.m. subject to Management approval. Flexible work schedules may not be appropriate for some departments or positions, especially based on client needs.

Work schedules are subject to change at any time with or without notice. Employees may be asked to work weekends or holidays if warranted, based on business conditions and client needs. Overtime may also be required with or without notice. Overtime must be pre-approved by one’s supervisor.

Unpaid time (30 minutes to one hour, depending on office location) is allowed for lunch. If an employee works during his/her lunch time, he/she must count the time as time worked for overtime calculation purposes.

9.2. Time Entry

All employees must enter their time into the Company’s time entry system on a daily basis. Time must be submitted for approval by 8:30 a.m. central standard time (CST) on the first business day after the close of the pay period (on the 16th and the 1st of each month). Reporting periods are from the 1st through the 15th, and from the 16th through the last day of each month. If an hourly employee does not submit his/her time by the deadline, that employee runs the risk of delayed payment and receiving a manual check rather than direct deposit.

Paychecks are directly deposited into employee accounts on the fifth business day following the close of the pay period. If an employee is late entering his/her time, the employee will be counseled. Repeated late occurrences may result in disciplinary action, up to and including, termination of employment. Hourly employees who do not submit their time by the deadline may have their paycheck delayed.

Both, exempt (salaried) and non-exempt (hourly) employees must enter their time every day. The differences between the two are as follows:

- **Exempt:** Employees must meet the criteria for one of the exemptions in the Federal Labor Standards Act (FLSA). If these criteria are met, they are paid a semi-monthly salary. These employees are measured by their results, not by
the hours they work. They are still required to track time off as outlined in the
vacation, holiday, sick and other leave policies.

- **Non-exempt**: Employees are paid for total hours worked, including overtime
  for hours worked over 40 in a calendar week. When absent, they may use
  paid time off benefits, make up the time within the same calendar week, or
  take time off as unpaid.

### 9.3. Payroll

The Company will take all reasonable steps to ensure that employees receive the
correct amount of pay in each paycheck that will be issued according to its semi-
monthly payroll schedule. In doing so, the Company will maintain appropriate records
of employee time worked and comply with all required federal, state and local laws.

The Company requires employees to accurately record time worked on a daily basis.
Altering, falsifying, tampering with time records or recording time for another
employee may result in disciplinary action, up to and including termination of
employment.

The Company uses a direct deposit program to pay employees and to reimburse
expenses. A direct deposit authorization form is needed each time an employee is
rehired. Employees may deposit their paychecks and their expense checks into a
maximum of three different personal bank accounts. Pay stubs reflecting gross pay,
taxes, and other deductions are available online in the Company’s payroll system,
Paychex.

The Company will make deductions from employee paychecks as follows:

- Government requirements such as federal income tax, state income tax
  (where applicable), Social Security and Medicare taxes;

- Court orders or writs of withholding. Employees will receive a written
  notification of applicable legal actions received by the Company;

- Judgments, decrees or orders which relate to the provisions of child support,
  alimony payments or marital property rights to a spouse, child or other
  dependent of an employee that is made pursuant to a court order or state
  law;

- Employee portion of premiums for the Company’s benefit plans; and

- Settlement of any outstanding amounts owed by the employee to the
  Company, such as corporate credit card balances or expense
  reimbursements.

When an employee resigns, a final, manual paycheck will be issued on the next
regularly scheduled payday. When the termination is involuntary, the final paycheck
will be issued in accordance with the laws of the state where the employee resides.
Employees should notify the Accounting Department if there is an error in the amount of pay or payroll deductions, so that corrections can be made as soon as possible. For proper payroll deductions and reporting, it is the employee’s responsibility to keep Human Resources or designated staff informed about changes in mailing address, marital status, telephone numbers, etc.

9.4. Overtime Pay

The Company will compensate non-exempt employees for overtime in accordance with federal wage and hour laws. Only hours worked will be considered in determining whether overtime compensation is due. Vacation, sick leave, holidays and floating holidays will not be considered hours worked for the purpose of determining overtime pay. All overtime hours must be reported during the calendar week in which they were worked. Required overtime must be pre-approved by an employee’s immediate supervisor.

Employees who meet the Federal Labor Standards Act guidelines for exemption (administrative, executive, professional or computer) are not eligible to receive overtime pay.

Non-exempt employees will be paid one and one-half times their regular hourly pay rate for hours worked in excess of 40 per week. A non-exempt employee is required to report all time worked; however, if the employee works more than 40 hours per week and does not receive pre-approval for overtime, the employee may be subject to disciplinary action up to, and including, termination of employment.

Hours worked from Sunday through Saturday (standard work week) are considered when calculating overtime pay.

9.5. Night or Weekend Shift Premium Pay

This policy applies to Company employees who are scheduled to work eligible night or weekend shifts. It does not apply to the Chief Executive Officer, Chief Operating Officer, Presidents, Chief Financial Officer, VPs, directors, managers, employees eligible for Sales Incentive Compensation and employees eligible for individual bonus programs.

Situations in which an employee works late hours in order to finish a project/task, meet a deadline, resolve a customer issue, or by their own choosing, etc. are not covered by this policy and, therefore, not eligible for premium pay.

- Example: an employee’s work schedule is typically 8:00 a.m. – 5:00 p.m. Monday through Friday; however he/she remains working until 9:00 p.m. (or comes in for a period of time on Saturday) in order to meet a deadline. These, and similar situations, would not be eligible for premium pay under this policy.
Definitions

Night or weekend shifts include regular work shifts that are:

- **Scheduled** to cross 8:00 p.m. (time zone where employee is located) Monday – Friday or
- **Scheduled** to cross 2:00 a.m. (time zone where employee is located) Monday – Friday or
- **Scheduled** to fall in whole or in part on Saturday – Sunday.

Coverage needed for night or weekend shifts will be scheduled by the Company and administered by departmental management. Designated management will determine and communicate scheduling. Advance notice will be given whenever possible for changes to night or weekend scheduling.

*Sporadic* premium pay will *not* be included in benefit-related calculations such as life insurance premiums, disability payments, etc.

If a non-exempt employee works overtime during a week in which he/she receives night or weekend premium pay, the premium pay must be included in the employee’s regular pay rate for calculating the overtime pay rate for that particular week.

Employees working scheduled night or weekend shifts must enter the appropriate work order classification in their timesheet. Instructions for entering premium pay can be obtained from an employee’s direct supervisor, manager, Payroll or Human Resources.

Employees may trade shifts with each other, subject to supervisor/manager written approval. Advanced written request to supervisor/manager is required.

- Non-Exempt/Hourly Employee Compensation for Night or Weekend Shifts
  - Eligible employees will receive an additional 10% of regular base pay as premium pay for scheduled night or weekend shifts worked.

- Exempt/Salaried Employee Compensation for Night or Weekend Shifts:
  - Eligible exempt employees will be not be compensated for working night or weekend shifts. However, they may be eligible for additional compensation via procedures outlined in On-Call Pay Policy 9.6.

9.6. On-Call

Employees may be required to be on call for client needs or business purposes from time to time. During the on-call shift, it is expected that the on-call employee will be the resource responsible for ensuring that potential client issues are handled appropriately. Situations in which employees are part of a “calling tree” or group approach to support clients are excluded from this policy. Company executives, Vice
Presidents, Directors and employees eligible for Sales Compensation are also excluded from this policy.

**On-Call Shift**

An On-Call Shift is defined as hours in which an employee is scheduled to carry a cell phone or pager for the purpose of responding to issues for customers during a specified time period.

On-call coverage, hours, and shifts vary depending on department, client, and needs of the business. Designated management will determine on-call scheduling and on-call hours will be rotated among appropriate staff. Advance notice will be given whenever possible for on-call scheduling; however, at times, due to business needs, scheduling may be on short notice (i.e. same day).

On-call time is not considered to be “hours worked” since employees have general freedom to pursue outside activities while on call. Therefore, on-call time will not be counted toward calculations for benefit eligibility, time off accrual, etc.

With respect to contacting Employees who are scheduled to be on call:

- **Bill Fulfillment Employees Only:** The on-call employee in Bill Fulfillment must call into the office at the beginning of the on-call shift to verify he/she is on call and give any additional contact information/instructions to on-site staff.

- **All Other Employees:** It is required that while on call, all other employees abide by the following guidelines:
  - Carry a Company issued pager/cell phone or forward the respective on-call number to a personal pager/cell phone.
  - Proactively ensure pager/cell phone is in proper working order and fully charged at the beginning of the on-call shift and that it remains in proper working order throughout duration of the shift. It is the employee’s responsibility to remain within cellular service area/range.
  - Be responsible for frequently checking pager/cell phone for missed pages/calls.
  - When an employee is needed to perform work or be called into work from on-call status, he/she will be contacted by appropriate staff member or directly by the client. If a call is missed, it is expected that the employee will return the call within **20 minutes**.

All employees on call must:

- Have the ability/capability to log into Company systems within 45 minutes or remain within a 45-minute travel distance (accounting for weather or other travel delays) of the employee’s assigned office in the event they must be called upon to work.
• Ensure they have access to information needed for escalation purposes (contact numbers, etc.).

• Refrain from use of any substances that could potentially affect his/her job performance if called to perform, or report to, work.

• Employees may trade on-call schedules with each other, subject to supervisor/manager approval in advance. Advanced written request to supervisor/manager is required.

If the employee on call cannot be located, does not respond to a call in a reasonable, professional, and timely manner, or fails to report to work when called in, he/she may forfeit on-call pay and be subject to disciplinary action, up to and including termination.

On-Call Compensation:
All employees who are scheduled to be on call must enter time appropriately in their timesheets. Instructions for entering on-call pay can be obtained from an employee’s supervisor, manager, Payroll, or Human Resources.

• During a scheduled on-call shift, eligible Non-Exempt/Hourly employees will earn a flat amount of $25.00 per on-call unit.

• During a scheduled on-call shift, eligible Exempt/Salaried employees will earn a flat amount of $50.00 per on-call unit.

One on-call unit is equivalent to:
• Monday - Friday 6:00 p.m. – 8:00 a.m. the following day;
• Saturday 8:00 a.m. – Sun 8:00am or Sun 8:00 a.m. – Monday 8:00am; or
• Short notice (same day) on-call shift requested by client and assigned by Management.

Non-Exempt/Hourly Employees
If a non-exempt/hourly employee is contacted while on call and must perform work either remotely or within the office, he/she will log actual time worked. If call-back or call-in time results in the hourly employee physically working more than 40 hours in a work week, hours worked over 40 will be paid at the overtime rate.

9.7. Severance Pay
The Company will provide regular full-time and benefit eligible part-time employees two weeks of severance pay when their employment is terminated by the Company for reasons other than performance or cause. (Cause is defined as serious misconduct, such as a breach in Company policy or willful disobedience of an employer’s clear instructions.) This policy does not apply to any employee who is covered by a current Employment Agreement.
A situation in which an employee will be paid severance is a reduction in force (layoff).

Severance pay will not be paid under any of the following circumstances:

- Voluntary resignation
- Termination at the end of Disability leave
- Retirement
- Termination for gross misconduct
- Termination of employment for contract, project or temporary employees
- When an employee is offered a position of equal pay at the Company or a successor Company and the position is in the same commuting area (within 50 miles) or relocation assistance is provided

Severance pay for regular full-time employees will be calculated based on the employee’s base pay in the pay period preceding termination. Overtime, commission or bonus will not be included in the calculation. Severance pay for regular part-time employees will be based on the average weekly pay for the three months preceding termination.