

# **Mark G. Miller, Inc. Employee Manual (Version 10.0)**

## **Effective 1 January 2010**

### **Welcome New Employee!**

We consider our employees to be some of our most valuable assets. We hope you will find our Company a rewarding place in which to work, and we look forward to a productive and successful association with you.

Please take the time to read this handbook, because it contains general information and guidelines and describes your responsibilities as an employee. This employee handbook is not intended to be comprehensive or to address all the possible applications of or exceptions to the general policies and procedures described. Therefore, if you have questions concerning eligibility for a particular benefit or the applicability of a policy or practice, please address them to your Program Manager.

As Mark G. Miller Inc. (known as “the Company” for the remainder of this manual) continues to grow, the need may arise to revise, supplement, or rescind any policies or portion of the handbook, and the Company reserves the right to do so as it deems appropriate, except for the Company’s employment-at-will policy. Employees will be notified of changes to the handbook as they occur.



Sincerely,

*T. Rene' Felker,*

*President, Mark G. Miller, Inc.*

## TABLE OF CONTENTS

<b>Employee Acknowledgement</b>	<b>5</b>
<b>Employment At Will Statement</b>	<b>6</b>
<b>Employee Relations</b>	<b>6</b>
<b>Equal Employment Opportunity</b>	<b>6</b>
<b>Invitation to Self-Identify for Qualified Protected Veterans</b>	<b>7</b>
<b>Invitation to Self-Identify for Individuals with Disabilities</b>	<b>8</b>
<b>Business Ethics and Conduct</b>	<b>9</b>
<b>Immigration Law Compliance</b>	<b>9</b>
<b>Conflicts of Interest</b>	<b>9</b>
<b>Outside Employment</b>	<b>10</b>
<b>Non-Disclosure</b>	<b>10</b>
<b>Disability Accommodation</b>	<b>11</b>
<b>Employment Status &amp; Records</b>	<b>11</b>
<b>Employment Categories</b>	<b>11</b>
<b>Employment Reference Checks</b>	<b>12</b>
<b>Personnel Data Changes</b>	<b>12</b>
<b>Withholding Status Changes</b>	<b>12</b>
<b>Introductory Period</b>	<b>12</b>
<b>Performance Management</b>	<b>13</b>
<b>Common Elements of Performance Management</b>	<b>13</b>
<b>Feedback from Your Supervisor</b>	<b>13</b>
<b>Appraisal Preparations, Including the Employee's Self-Appraisal</b>	<b>13</b>
<b>Meeting With Your Supervisor</b>	<b>13</b>
<b>Completed Appraisal</b>	<b>13</b>
<b>Employee Benefit Programs</b>	<b>14</b>
<b>Employee Benefits</b>	<b>14</b>
<b>Holidays</b>	<b>14</b>
<b>Workers' Compensation Insurance</b>	<b>14</b>
<b>Bereavement Leave</b>	<b>15</b>
<b>Family and Medical Leave Act of 1993</b>	<b>15</b>
<b>Jury Duty</b>	<b>15</b>
<b>Paid Time Off (PTO)</b>	<b>16</b>
<b>Professional Staff Employees PTO earning rate:</b>	<b>16</b>
<b>Wage Determination Employees PTO earning rate:</b>	<b>17</b>

Compensatory Time _____	18
Health Insurance _____	18
401(k) Savings Plan _____	18
Flexible Spending Account _____	18
Tuition Assistance _____	19
Awards Program _____	19
<b>Timekeeping/Payroll _____</b>	<b>20</b>
Timekeeping _____	20
Paydays _____	20
Employment Termination _____	20
Administrative Pay Corrections _____	21
<b>Work Conditions &amp; Hours _____</b>	<b>21</b>
Visitors in the Workplace _____	21
Safety _____	21
Work Schedules _____	21
Smoking _____	22
Rest and Meal Periods _____	22
Overtime _____	22
Use of Equipment _____	22
Emergency Closings _____	22
Business Travel Expenses _____	23
Computer and E-mail Usage _____	24
Workplace Monitoring _____	25
Workplace Violence Prevention _____	25
<b>Leaves of Absence _____</b>	<b>26</b>
Military Leave _____	26
<b>Employee Conduct and Disciplinary Action _____</b>	<b>26</b>
Employee Conduct and Work Rules _____	26
Drug and Alcohol Use _____	27
Sexual and Other Unlawful Harassment _____	28
Attendance and Punctuality _____	28
Personal Appearance _____	28
Return of Property _____	29
Resignation _____	29
Progressive Discipline _____	29



## **Employee Acknowledgement**

The employee handbook (Version 10.0) describes important information about Mark G. Miller, Inc., and I understand that I should consult my Program Manager regarding questions not answered in the handbook. I have entered into my employment relationship with the Company voluntarily and acknowledge that there is no specified length of employment. Accordingly, either the Company or I can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except for the Company's policy of employment-at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the President of the Company has authority to adopt revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

EMPLOYEE NAME (printed): \_\_\_\_\_

EMPLOYEE SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

## **Employment At Will Statement**

The purpose of this handbook is to provide employees with a general understanding of our personnel policies. Employees should familiarize themselves with its contents. It will answer many common questions concerning employment with the Company.

However, this handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract, nor is it intended to create contractual obligations of any kind. Neither the employee nor the Company is bound to continue the employment relationship if either chooses to terminate it at any time.

In order to retain necessary flexibility in the administration of policies and procedures, the Company reserves the right to change, revise, or eliminate any of the policies and/or benefits described in this handbook, except for its policy of employment-at-will. The only recognized deviations from the stated policies are those authorized and signed by the President of the Company.

## **Employee Relations**

The Company believes that the work conditions, wages, and benefits it offers to its employees exceed those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their Program Managers.

Our experience has shown that when employees deal openly and directly with Program Managers, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that the Company amply demonstrates its commitment to employees by responding effectively to employee concerns. Our commitment is to keep all employees informed of the Company's aims, objectives, and progress. .

## **Equal Employment Opportunity**

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at the Company will be based on merit, qualifications, and abilities. the Company does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

The Company will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to **immediately** bring these issues to the attention of their Program Manager. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

## **Invitation to Self-Identify for Qualified Protected Veterans**

The Company is a federal contractor subject to the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended, which requires federal contractors to take affirmative action to employ and advance in employment qualified disabled veterans and qualified protected veterans.

**An invitation to veterans of the Vietnam era only:** If you are a veteran of the Vietnam era, we wish to include you under our affirmative action program. If you wish to be included under the affirmative action program, please tell us. The term "veteran of the Vietnam era" refers to a person who served on active duty for a period of more than 180 days and was discharged or released therefrom with other than a dishonorable discharge, if any part of such active duty occurred in the Republic of Vietnam between February 28, 1961, and May 7, 1975 or between August 5, 1964, and May 7, 1975, in all other cases. The term also refers to a person who was discharged or released from active duty for a service connected disability if any part of such active duty was performed in the Republic of Vietnam between February 28, 1961 and May 7, 1975, or between August 5, 1964 and May 7, 1975 in all other cases.

**An invitation to qualified disabled veterans only:** If you are a qualified special disabled veteran, we wish to include you in our affirmative action program. If you wish to be included under the affirmative action program, please tell us. This information will assist us in placing you in an appropriate position and in making accommodations for your disability. The term "qualified special disabled veteran" refers to a veteran who is entitled to compensation (or who, but for the receipt of military retired pay, would be entitled to compensation) under laws administered by the Department of Veterans Affairs for a disability rated at 30 percent or more, or rated at 10 or 20 percent in the case of a veteran who has been determined by the Department of Veterans Affairs to have a serious employment handicap. The term also refers to a person who was discharged or released from active duty because of a service-related disability.

**An invitation to both (1) veterans of the Vietnam era and (2) qualified disabled veterans:** If you are a veteran of the Vietnam era or a qualified special disabled veteran, we wish to include you under our affirmative action program. If you wish to be included under the affirmative action program, please tell us. The term "veteran of the Vietnam era" refers to a person who served on active duty for a period of more than 180 days, and was discharged or released therefrom with other than a dishonorable discharge, if any part of such active duty occurred in the Republic of Vietnam between February 28, 1961 and May 7, 1975 or between August 5, 1964 and May 7, 1975 in all other cases.

The term also refers to a person who was discharged or released from active duty for a service connected disability if any part of such active duty was performed in the Republic of Vietnam between February 28, 1961 and May 7, 1975, or between August 5, 1964 and May 7, 1975 in all other cases. The term "qualified special disabled veteran" refers to a veteran who is entitled to compensation (or who, but for the receipt of military retired pay, would be entitled to compensation) under laws administered by the Department of Veterans Affairs, for a disability rated at 30 percent or more, or rated at 10 or 20 percent in the case of a veteran who has been determined by the Department of Veterans Affairs to have a serious employment handicap. The term also refers to a person who was discharged or released from active duty because of a service-related disability.

You may inform us of your desire to benefit under the program at this time or any time in the future.

Submission of this information is voluntary; refusal to provide it will not subject you to adverse treatment. The information provided will be used only in consistence with the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended.

The information you submit will be kept confidential, except that (i) supervisors and managers may be informed regarding restrictions on the work or duties of qualified disabled veterans and regarding necessary accommodations; (ii) first aid and safety personnel may be informed, when and to the extent appropriate, if you have a condition that might require emergency treatment; and (iii) government officials engaged in enforcing laws administered by OFCCP or enforcing the Americans with Disabilities Act may be informed.

If you are a qualified special disabled veteran, please tell us about any special methods, skills, and procedures which qualify you for positions for which you might otherwise be disabled so that we can consider you for those positions *and make accommodations to enable you to perform the job properly and safely, including special equipment, changes in the physical layout of the job, elimination of certain duties relating to the job, provision of personal assistance services, or other accommodations. This information will assist us in placing you in an appropriate position and in making accommodations for your disability.*

A written copy of this Affirmative Action Program is available for inspection by any employee or applicant for employment during normal business hours in the Administration Department. Interested persons should contact the Office Manager at 801-528-5161 for assistance.

### **Invitation to Self-Identify for Individuals with Disabilities**

The Company is a Government contractor subject to section 503 of the Rehabilitation Act of 1973, as amended, which requires Government contractors to take affirmative action to employ and advance in employment qualified individuals with disabilities.

If you have a disability and wish to be considered under the affirmative action program, please tell us.

You may inform us of your desire to benefit under the program at this time or any time in the future. This information will assist us in placing you in an appropriate position and in making accommodations for your disability.

Submission of this information is voluntary, and refusal to provide it will not subject you to adverse treatment. The information provided will be used only in consistence with Section 503 of the Rehabilitation Act.

Information you submit about your disability will be kept confidential, except that (i) supervisors and managers may be informed regarding restrictions on the work or duties of qualified individuals with disabilities and regarding necessary accommodations; (ii) first aid and safety personnel may be informed, when and to the extent appropriate, if the condition might require emergency treatment; and (iii) government officials engaged in enforcing laws administered by OFCCP or the Americans with Disabilities Act may be informed.

If you are a qualified individual with a disability, we wish to include you under the affirmative action program. Please tell us about any special methods, skills, and procedures which qualify you for positions for which you might otherwise be disabled so that we can consider you for

those positions and *make accommodations to enable you to perform the job properly and safely, including special equipment, changes in the physical layout of the job, elimination of certain duties relating to the job, provision of personal assistance services, or other accommodations.*

***A written copy of this Affirmative Action Program is available for inspection by any employee or applicant for employment during normal business hours in the Company Layton Business office. Interested persons should contact the Office Manager at 801-528-5161 for assistance.***

## **Business Ethics and Conduct**

The successful business operation and reputation of the Company are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of the Company is dependent upon our customers' trust, and we are dedicated to preserving that trust. Employees owe a duty to the Company, its customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

The Company will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment based on high ethical principles will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your Program Manager and, if necessary, with the President.

Compliance with this policy of business ethics and conduct is the responsibility of **every** Company employee.

## **Immigration Law Compliance**

The Company is committed to employing only United States citizens and aliens who are authorized to work in the United States. The Company will not unlawfully discriminate against people who are qualified to work in the United States 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 documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three years or if their previous I-9 is no longer retained or valid.

Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

## **Conflicts of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy establishes only the framework within which the Company wishes the business to operate. The purpose of these guidelines is to provide general direction so that employees can seek further clarification on issues related to the subject of acceptable standards of operation. Contact the President for more information or questions about conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of the Company's business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

The mere existence of a relationship with outside firms does not create a conflict unless employees have influence on transactions involving purchases, contracts, or leases, at which time it is imperative that employees disclose to the President of the Company as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which the Company does business but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving the Company.

## **Outside Employment**

An employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with the Company. All employees will be judged by the same performance standards and will be subject to the Company's scheduling demands, regardless of any existing outside work requirements.

If the Company determines that an employee's outside work interferes with performance or the ability to meet the requirements of the Company as they are modified from time-to-time, the employee may be asked to terminate the outside employment if he or she wishes to remain with the Company.

Outside employment will present a conflict of interest if it has an adverse impact on the Company.

## **Non-Disclosure**

The protection of confidential business information and trade secrets is vital to the interests and the success of the Company. Such confidential information includes but is not limited to the following examples:

- Compensation data
- Customer lists
- Customer preferences
- Financial information
- Marketing strategies
- Pending projects and proposals

All employees may be required to sign a non-disclosure agreement as a condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

## **Disability Accommodation**

The Company is committed to full compliance with the Americans with Disabilities Act (ADA) and to ensuring equal opportunity in employment for qualified persons with disabilities within the federal and state regulations and as long as it does not cause undue hardship to the Company. All employment practices and activities are conducted on a non-discriminatory basis.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists.

The Company is also committed to not discriminating against any qualified employees or applicants 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.

## **Employment Status & Records**

### **Employment Categories**

The Company intends to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the employee and the Company retain the right to terminate the employment relationship at will.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by the Company management.

In addition to the above categories, each employee will belong to one additional employment category:

Those designated as Professional Staff are full time employees who work greater than or equal to 32 hours per week. Employees in this category are eligible for full benefits.

Those designated as Part Time Professional Staff are employees who work less than 32 hours per week but 20 or more hours per week. Employees in this category are eligible for ½ of holiday and vacation benefits.

Those designated as Part Time employees are employees who work less than 20 hours per week and are eligible for no benefits.

Those designated as Temporary Employees are employees who work for a temporary period of time and are eligible for no benefits.

Those designated as Trade Services are employees who work full time and are eligible for no benefits.

Those designated as Wage Determination employees are employees who work full time and are eligible for benefits categorized as Wage Determination Benefits.

## **Employment Reference Checks**

To ensure that individuals who join the Company are well qualified and have a strong potential to be productive and successful, it is the policy of the Company to check the employment references of all applicants.

In response to information requests from outside organizations, individuals, or non-government entities, the Company will only disclose information when the Company receives a written authorization and release signed by the individual who is the subject of the inquiry.

When information is being requested by the federal, state and local government agencies in accordance with record keeping and reporting requirements, the Company will release the requested information.

## **Personnel Data Changes**

It is the responsibility of each employee to promptly notify the Company of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments and other such status reports should be accurate and current at all times. If an employee's personnel data has changed, that employee must notify the Office Manager.

## **Withholding Status Changes**

Employees may revise withholding information (lines 5 and 6) on their W-4 annually. Employees may make additional W-4 revisions if they experience one of the following qualifying events:

- Change in marital status
- Change in spouse employment status
- Change in number of children

## **Introductory Period**

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Company uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or the Company may end the employment relationship at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. If there is significant absence during the introductory period, the Program Manager may extend the introductory period by the length of the absence. In addition, if the Company determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

During the introductory period, employees may be required to obtain a Security Clearance. Failure or inability to comply with this requirement may result in termination.

Upon satisfactory completion of the introductory period, employees enter the "regular" employment classification.

## **Performance Management**

Your supervisor will provide you with information regarding your duties and responsibilities and will assist you during the period of your job training.

On an annual basis, your supervisor will formally review and discuss your work performance with you. You and your supervisor share responsibility for discussing what you will be expected to accomplish during the performance period and how your work will be measured. The performance evaluation will provide valuable information to be used when considering you for changes in compensation, promotion, or transfer.

### **Common Elements of Performance Management**

There are common elements of the Performance Management Process for the Company:

#### **Establishing Major Job Objectives, Performance Standards, and Performance Expectations**

You and your supervisor share responsibility for discussing what you will be expected to achieve during the performance year and how your work will be measured.

### **Feedback from Your Supervisor**

Once a year, there should be a formal written appraisal of your performance; however, you and your supervisor share responsibility for having performance discussions throughout the year. During such sessions, you and your supervisor can discuss your priorities and progress to date and any questions that you might have concerning what is expected of you.

### **Appraisal Preparations, Including the Employee's Self-Appraisal**

At the time your supervisor begins to develop his or her evaluation of your performance, you will add your input regarding the achievement of results.

Your supervisor's preparation for the appraisal discussion will include reviewing business plans, your performance results, attendance records, your self-appraisal, and feedback from appropriate sources inside and outside your area.

### **Meeting With Your Supervisor**

The discussion will focus on the results you achieved and will be valuable in helping you understand how your performance is evaluated. You will have the chance to discuss your own assessment of what you have achieved and to talk about what you may need to do to improve your results in the evaluation period.

### **Completed Appraisal**

In this step, your supervisor will document your performance results. This documentation will serve as an element for any compensation increases and will be used for reference for other human resources decisions related to career development, promotion, transfer, or termination.

You may review the final document appraisal and, if you wish, you may discuss it with the next level of management.

# **Employee Benefit Programs**

## **Employee Benefits**

Eligible employees at the Company are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your Program Manager can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees:

- Bereavement Leave
- Dental Insurance
- Health Insurance
- Vision Insurance
- Holidays
- Family and Medical Leave Act of 1993
- Jury Duty Leave
- Medical Leave
- Military Leave
- Paid Time Off (PTO)
- Compensatory Time
- Long and Short Term Disability Insurance
- Flexible Spending Account
- Life Insurance
- Tuition Assistance
- 401(k) Savings Plan/Profit Sharing
- Awards Program

Some benefit programs require contributions from the employee, but most are fully paid by the Company.

## **Holidays**

The Company will close for business on the holidays listed below:

- New Year's Day (January 1)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Thanksgiving (fourth Thursday in November)
- Christmas (December 25)

Company employees are encouraged to use compensatory time or PTO on these holidays.

## **Workers' Compensation Insurance**

The Company provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements,

workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses are required to inform their Program Manager immediately, and the Program Manager is required to report the incident within 24 hours. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

Neither the Company nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

## **Bereavement Leave**

Employees who wish to take time off due to the death of an immediate family member should notify their Program Manager immediately. Employees may request up to 24 hours of paid bereavement leave.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements.

The Company defines "immediate family" as:

- The Employee's:
  - spouse
  - parent
  - child
  - sibling
  - grandparent
  - grandchildren
- The Employee's Spouse's:
  - parent
  - child
  - sibling
  - grandparent
  - grandchildren
- The Employee's Child's:
  - spouse

## **Family and Medical Leave Act of 1993**

The Family and Medical Leave Act (FMLA) provides up to 12 weeks of unpaid, job-protected leave to eligible employees for certain family and medical reasons. The Company encourages eligible employees to use FMLA leave when necessary. FMLA information (such as protections offered by FMLA and FMLA eligibility requirements) can be found at the Company Benefits Portal.

## **Jury Duty**

The Company encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees may request up to 24 hours of paid jury duty leave over a 1-year period. If desired, employees may use any accrued PTO for jury duty in excess of the initial 24 hours.

Employees must show the jury duty summons to their Program Manager as soon as possible so that the Program Manager may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either the Company or the employee may request an excuse from jury duty if, in the Company's judgment, the employee's absence would create serious operational difficulties.

## **Paid Time Off (PTO)**

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for vacation, federal holidays, illness or injury, and personal business. It combines traditional vacation, sick and holiday leave plans into one flexible paid time-off policy. Employees in the following employment classifications are eligible to earn and use PTO as described in this policy:

- Professional Staff Employees
- Part Time Professional Staff Employees (accrued at ½ the rate of Professional Staff)
- Wage Determination Employees

Once employees enter an eligible employment classification, they begin to earn PTO according to the schedule below.

PTO can be used in maximum increments of 14 days unless approved by management. Employees who have an unexpected need to be absent from work should notify their Program Manager before the scheduled start of their workday, if possible. The Program Manager must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, employees should request advance approval from their Program Managers. Requests will be reviewed based on a number of factors, including business needs and staffing requirements. Upon Program Manager approval, the employee shall notify the Office Manager of any planned PTO.

PTO is paid at the employee's base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

As an additional condition of eligibility for PTO, an employee on an extended absence for illness or injury must apply for any other available compensation and benefits, such as workers' compensation. PTO will be used to supplement any payments that an employee is eligible to receive from disability insurance, workers' compensation, etc. The combination of any such disability payments and PTO cannot exceed the employee's normal weekly earnings.

Because the Company understands that employees need time away from work, it is expected that employees use no less than seventeen days (17 days) of PTO per year.

Employees may accrue and carry over to the next year a maximum of thirty (30) combined PTO and compensatory time days. PTO and compensatory time exceeding the thirty (30) day maximum will be paid out to the employee at year-end (compensatory time will be sold first).

Upon termination of employment, employees will be paid for unused PTO that has been earned through the last pay period completed. Employees will not accrue PTO for their last employed pay period.

### **Professional Staff Employees PTO earning rate:**

Service Period	Vacation/Sick <sup>1</sup>	Holiday	Total
Basic	14	10	24

After 3 years	15	10	25
After 4 years	16	10	26
After 5 years	17	10	27
After 6 years	18	10	28
After 7 years	18.5	10	28.5
After 8 years	19	10	29
After 9 years	19.5	10	29.5
After 10 years	20	10	30
Each additional year	+ .5 additional days <sup>2</sup>	10	+ .5 additional days

<sup>1</sup> Changes on 1 Jan. Each Year after hire date

<sup>2</sup> Total days capped at 30 Days per Year

**Wage Determination Employees PTO earning rate:**

Service Period	Vacation/Sick <sup>1</sup>	Holiday	Total
Basic	10	11	21
After 3 years	11	11	22
After 4 years	12	11	23
After 5 years	13	11	24
After 6 years	14	11	25
After 7 years	14.5	11	25.5
After 8 years	15	11	26
After 9 years	15.5	11	26.5
After 10 years	16	11	27
Each additional year	+ .5 additional days <sup>2</sup>	11	+ .5 additional days

<sup>1</sup> Changes on 1 Jan. each year after hire date from previous contract

<sup>2</sup> Total days capped at 20 days per year

Note: Product Group Directors earn PTO at the “after 10 years” rate until they reach 10 years service, after which they earn .5 additional days for each additional year of service.

Individual employees are allowed to donate PTO/compensatory time to other employees when an emergency need has been established. In order for that need to be established the employee’s supervisor must provide a justification to the Company President outlining the circumstances leading up to the event. The employee receiving the donation must consume all their earned compensatory time and PTO first, then the donated PTO/compensatory time. Any unused PTO/compensatory time will be returned to the person(s) donating the PTO/compensatory time. When multiple individuals donate PTO/compensatory time, it will be returned on a pro rated basis. Donated leave will be applied on a dollar for dollar basis.

## **Compensatory Time**

FLSA exempt employees are not eligible for overtime but can earn compensatory time for hours worked beyond the normal work day. Compensatory time is intended to be earned and used in the same time frame. For example, employees that work nine or ten hour days will use the earned compensatory time in the same pay period for their regular day(s) off. Compensatory time is not to be accumulated and sold as a means to augment employee salary.

When available, employees **will use** compensatory time for vacation, federal holidays, illness or injury, and personal business before using paid time off. Employees may accrue and carry over to the next year, a maximum of thirty (30) combined PTO and compensatory time days. PTO and compensatory time exceeding the thirty (30) day maximum will be paid out to the employee at year-end (compensatory time will be sold first).

## **Health Insurance**

The Company health insurance plan provides employees and their dependents access to medical, vision, and dental care insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

- Professional Staff Employees
- Wage Determination Employees

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between the Company and the insurance carrier.

Details of the health insurance plan are described in the Summary Plan Description (SPD). A SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact the Office Manager or consult the Company Benefits Portal for more information about health insurance benefits.

## **401(k) Savings Plan/Profit Sharing**

The Company has established a 401(k) Safe Harbor savings plan with employer contribution of 3% of employee gross salary to provide employees the potential for future financial security for retirement. In addition to the 3% Company profit sharing, employees can defer a percentage of their salary into their 401(k) up to the legal maximum. Company profit sharing and employee deferrals can be either pre-tax (traditional) or post-tax (Roth).

Eligible employees may participate in the 401(k) plan subject to all terms and conditions of the plan. To be eligible to join the 401(k) savings plan, an employee must be at least 18 years of age **and** have performed six months service. Complete details of the 401(k) savings plan are described in the Summary Plan Description provided to eligible employees. Contact the Office Manager for more information about the 401(k) plan.

## **Flexible Spending Account**

Eligible Company employees have the option to participate in the Company Flexible Spending Account. Employees in the following employment classifications are eligible to participate in the Flexible Spending Account plans:

- Professional Staff Employees
- Wage Determination Employee
- Part Time Professional Employees

The Company offers three Flexible Spending Account Plans: Health (including medical, dental and vision expenses), Dependent/Child Care, and Other Insurance (not including Life Insurance). The accounts are use-it-or-lose-it accounts, so any funds not used by the end of the plan year will be lost. Costs incurred prior to enrollment are not eligible for reimbursement.

The plan year is defined as January 1 through December 31. Participants must submit reimbursement requests by March 15<sup>th</sup> of the following year (see full policy and list of eligible expenses at the Company Benefits Portal).

## **Tuition Assistance**

The Company will provide limited reimbursement for certain tuition costs. A completed Tuition Approval Request (available at the Company Benefits Portal) must be forwarded through the Group Director to the President prior to the start of training/classes. The Company reserves the right to disapprove any tuition assistance request. The Company has a limited annual budget for these types of expenses and will consider tuition assistance requests on a first come, first served basis. Reimbursable costs are limited to tuition and do not include lab fees, registration fees, books, or other materials.

**Continuing Education:** The Company will reimburse 50% of actual out-of-pocket tuition expenses up to \$1,000 per calendar year to employees developing or enhancing work skills relating to current Company duties. Example: Microsoft.net computer class for computer programmers.

**Higher Education:** the Company will reimburse 100% of actual out of pocket tuition up to \$3,000 per calendar year to employees pursuing post-secondary education relating to current Company duties such as associates, bachelors, masters, or other advanced degrees.

Upon presentation of a receipt(s), reimbursement for approved classes will be made through the normal employee reimbursement system.

After completing a course, the employee must present proof of successful completion (with passing grade) of the training or class. Proof can consist of a grade report, a certificate of completion, or another reasonable document. If an employee fails to present proof of completion, employee will be required to refund the tuition reimbursement to the Company.

If an employee receives tuition reimbursement and resigns employment within one year of the reimbursement, employee will be required to refund the tuition reimbursement to the Company.

## **Awards Program**

The Company has implemented an awards program to recognize employee achievements. The awards program consists of two components: non-monetary and monetary. Non-monetary awards recognize employee years of service; awards are given for the first five years and each subsequent five year increment. Three types of monetary awards are given for outstanding performance:

**Star Award** – Can be awarded at any time during the year; given to employees who have been singled out by Company customers for their contributions

**Excellence Award** – Can be awarded quarterly; given in recognition of employees who have performed significantly above expectations

**President's Award** – Can be awarded annually; given in recognition of employees who have consistently performed at or near the highest possible standard

# **Timekeeping/Payroll**

## **Timekeeping**

Accurately recording time worked is the responsibility of every employee. Federal and state laws require the Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Employees should accurately record their time daily in the Company Time Tracking System. Employees will report each task on which they spend 18 minutes or longer, and they will record the length of each task using 6 minute (0.1 hour) increments. For each task lasting fewer than 18 minutes, the employee will not report a separate task but will record time spent on that task as if it were part of the previous task.

Project Managers will assign job numbers so time can be charged accordingly. Full time employees must account for at least 8 hours daily Monday through Friday, utilizing Vacation/Comp/Unpaid if necessary.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

## **Paydays**

All employees are paid bi-weekly on the Thursday following the end of a pay period. Employees will be paid on the Wednesday following a pay period if the Thursday falls on a holiday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

## **Employment Termination**

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

- Resignation - voluntary employment termination initiated by an employee.
- Discharge - involuntary employment termination initiated by the organization.
- Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
- Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

The Company will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, and repayment of outstanding debts to the Company, or return of Company-owned property. Suggestions, complaints, and questions can also be voiced.

Since employment with the Company 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. Employees will receive their final pay in accordance with applicable state law.

All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

## **Administrative Pay Corrections**

The Company takes all reasonable steps to ensure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of the Office Manager so that corrections can be made as quickly as possible.

## **Work Conditions & Hours**

### **Visitors in the Workplace**

To provide for the safety and security of employees and the facilities at the Company, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All employees are responsible for workplace monitoring. Employees must immediately report any unauthorized or suspicious visitor to their Project Manager.

### **Safety**

To assist in providing a safe and healthful work environment for employees, customers, and visitors, the Company has established a workplace safety program. This program is a top priority for the Company. The Company has the responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

The Company provides information to employees about workplace safety and health issues through regular internal communication channels such as Program Manager-employee meetings, bulletin board postings, memos, or other written communications.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate Program Manager. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify their Program Manager. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures.

### **Work Schedules**

Work schedules for employees vary throughout our organization. Program Managers will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times as well as variations in the total hours that may be scheduled each day and week.

## **Smoking**

In keeping with the Company's intent to provide a safe and healthful work environment, and the Utah Clean Air Act smoking is prohibited throughout the workplace. This policy applies equally to all employees, customers, and visitors.

## **Rest and Meal Periods**

Each workday, full-time nonexempt employees are provided with 2 rest periods. Program Managers will advise employees of the regular rest period length and schedule. To the extent possible, rest periods will be provided in the middle of work periods. Since this time is counted and paid as time worked, employees must not be absent from their workstations beyond the allotted rest period time.

All full-time employees are provided with one meal period each workday. Program Managers will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

## **Overtime**

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. When possible, advance notification of these mandatory assignments will be provided. All overtime work must receive the Program Manager's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off for sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Employees who work overtime without receiving prior authorization from the Program Manager may be subject to disciplinary action, up to and including termination of employment.

## **Use of Equipment**

Equipment essential in accomplishing job duties is expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the Program Manager if any equipment appears to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees or others. The Program Manager can answer questions regarding an employee's responsibility for maintenance and care of equipment.

The improper, careless, negligent, destructive, or unsafe use of equipment can result in disciplinary action, up to and including termination of employment.

## **Emergency Closings**

At times, emergencies such as severe weather, fires, power failures, or earthquakes can disrupt Company operations. In extreme cases, these circumstances may require the closing of a work facility.

When operations are officially closed due to emergency conditions, employees' time off from scheduled work will be unpaid. However, with the Program Managers approval, employees may use available paid leave time, such as unused vacation benefits.

## **Business Travel Expenses**

The company will compensate employees for reasonable business travel expenses incurred while on assignment away from the normal work location for more than 12 hours. The Program Manager must approve all business travel in advance.

Upon approval, employees will be reimbursed actual costs or paid per diem allowances to compensate for costs incurred for travel, meals, and lodging. The Company will also reimburse other expenses directly related to accomplishing business travel objectives. Employees are expected to limit expenses to reasonable amounts. Unnecessary increased costs for premium car rentals, lodging, parking, and transportation are not considered reasonable and will not be reimbursed.

Upon completion of travel, employees should submit completed Travel Reimbursement Form and all relevant receipts, approvals, and other documents within 7 days. Where applicable, requests for travel reimbursement must include the following: purpose and relevant remarks, all *itemized* receipts, comparable airfare quotes, signed 1292, conference agenda, and other relevant approvals and documents. Requests for travel reimbursement should be submitted to the Office Manager by 4:00 p.m. on the second Thursday of the pay period.. Reimbursement requests submitted after this time are not guaranteed for reimbursement on that paycheck

Employees should contact their Program Manager, Office Manager, or Chief Financial Officer for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues.

Abuse of this policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

Employees who are involved in an automobile accident or otherwise incur damage to a vehicle while traveling on business must promptly report the incident to their Program Manager. Vehicles owned, leased, or rented by the Company may not be used for personal use without prior approval.

Current per diem rates can be found at:

<http://www.defensetravel.dod.mil/perdiem/perdiemrates.html>

## **Travel Rules**

### **Air Travel**

- When purchasing their own airfare, employees must make purchase as early as reasonably possible (purchase airfare upon notification of travel in order to prevent last minute higher rates). Employees must also print two airfare quotes of comparable flights (purchased flight plus two comparable flights). When presented with comparable flights, you are required to select the least expensive flight that meets mission requirements. If purchasing airfare creates a hardship for the employee, the Company will purchase airfare on behalf of employee.
- Employees should have a maximum of one connection (a connection is defined as a plane change).

- Employees are authorized a one-class upgrade for travel legs of greater than 8 hours with prior approval from the President.
- When possible, all flights should be with an American Flag Carrier regardless of cost.
- Credits for unused airfare should be reported to the Office Manager. Employees are responsible for using credits for unused airfare.
- POV mileage to and from the airport should be calculated to and from your place of duty.

### **Lodging**

- Employees will not be reimbursed for cost exceeding authorized per diem amounts unless the President grants prior approval.
- When possible, hotels shall be selected that have high speed internet at a very low cost or free. Internet costs will only be reimbursed with prior approval.

### **Telephone**

- When employee is required to travel outside the standard Company-provided cell phone service area, employee must notify the office manager to arrange for expanded coverage (same applies for air card coverage).
- Employees are allowed safe arrival and departure calls as billable.
- Business-related calls are authorized but must be itemized and include, who, why, when, and where.

### **Car Rental**

- When authorized, traveler will rent the smallest car that will fit the mission requirements.
- Rental cars must be pre-approved by the Company President; if practical, commercial or public transportation (taxi, rail, bus) will be used in lieu of a rental car.
- Employees should not opt for rental car insurance. If necessary, obtain an insurance card from Office Manager prior to travel.

### **General Rules**

- Employee will be reimbursed via their paycheck on the first available pay period after travel reimbursement has been approved.
- A completed 1292 is required for all government travel. Employees are responsible for providing approved 1292s as part of their travel reimbursement.
- A convenience fee of \$25.00 per day (\$100.00 maximum per trip) will be paid if the employee stays with a friend or relative.
- Itemized receipts are required for all costs. Do not purchase travel packages that do not meet this standard.
- Employees should make every effort to retain itemized receipts. If an employee loses a receipt, the employee must submit a lost receipt form to the Company President for approval.
- In the course of their duties, employees may incur out-of-pocket costs for sundry items. Employees must submit requests for reimbursement within sixty (60) days.

### **Computer and E-mail Usage**

The Company has adopted the **Department of Defense Internet Security Policy**. This policy will be provided to you. If at any time you have any questions or concerns regarding this policy, it is your responsibility to contact your Program Manager.

Computers, computer files, the e-mail system, and software furnished to employees are Company property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and e-mail usage may be monitored.

The Company strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, the Company prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale. For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes but is not limited to ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

E-mail may not be used to solicit others for commercial ventures, religious or political causes, outside organizations, or other non-business matters.

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer.

Employees may only use software on local area networks or on multiple machines according to the software license agreement. The Company prohibits the illegal duplication of software and its related documentation.

Employees should notify their Program Manager, the President, or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

## **Workplace Monitoring**

To ensure quality control, employee safety, security, and customer satisfaction, the Company may conduct workplace monitoring.

Computers furnished to employees are the property of the Company. As such, computer usage and files may be monitored or accessed.

Because the Company is sensitive to the legitimate privacy rights of employees, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

## **Workplace Violence Prevention**

The Company is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following guidelines to deal with intimidation, harassment, violence, or threats of violence that may occur during business hours or on its premises.

All employees, including Program Managers and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from Company premises without proper authorization.

Conduct that threatens, intimidates, or coerces other employees, customers, or members of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by federal, state, or local law.

Violence or threats of violence, either direct or indirect, should be reported as soon as possible to your Program Manager or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to a Program Manager. Do not place yourself in peril. If you see or hear a commotion or disturbance near your workstation, do not try to intercede or see what is happening.

The Company will promptly and thoroughly investigate all reports of violence or threats of violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

The Company encourages employees to bring their disputes or differences with other employees to the attention of their Program Managers or the President before the situation escalates into potential violence. The Company is eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

## **Leaves of Absence**

### **Military Leave**

A military leave of absence will be granted to employees who are absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

Exempt employees will receive partial pay for two-week training assignments and shorter absences. Upon presentation of satisfactory military pay verification data, employees will be paid the difference between their normal base compensation and the pay (excluding expense pay) received while on military duty.

Employees may substitute any available paid time off for unpaid military leave.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible and subject to all USERRA guidelines.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from military leave will be placed in the position they would have attained had they remained continuously employed or a comparable one depending on the length of military service in accordance with USERRA. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service.

Contact the President for more information about military leave.

## **Employee Conduct and Disciplinary Action**

### **Employee Conduct and Work Rules**

To ensure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of employees and the organization.

It is not possible to list all the forms of behavior that are unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- Theft or inappropriate removal or possession of property
- Falsification of timekeeping records
- Working under the influence of alcohol or illegal drugs
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- Fighting or threatening violence in the workplace
- Boisterous or disruptive activity in the workplace
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Insubordination or other disrespectful conduct
- Violation of safety or health rules
- Smoking in prohibited areas
- Sexual or other unlawful or unwelcome harassment
- Possession of dangerous or unauthorized materials such as explosives or firearms in the workplace
- Excessive absenteeism or any absence without notice
- Unauthorized absence from workstation during the workday
- Unauthorized use of telephones, mail system, or other employer-owned equipment
- Unauthorized disclosure of business "secrets" or confidential information
- Violation of personnel policies
- Unsatisfactory performance or conduct

Employment with the Company is at the mutual consent of the Company and the employee; either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

## **Drug and Alcohol Use**

It is the Company's desire to provide a drug-free, healthy, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner.

While on Company premises and while conducting business-related activities off Company premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a manner that does not endanger other individuals in the workplace. Employees who use prescribed drugs are required to notify their immediate Program Managers. The Company reserves the right to require an employee to undergo a medical evaluation under appropriate circumstances if there is reasonable suspicion.

The Company requires each new full/part time professional staff employee to take a pre-employment drug screening provided by the Company.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences. Sexual and Other Unlawful Harassment

The Company is committed to providing a work environment that is free of discrimination and unlawful harassment. Sexual harassment includes any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where tolerance of such actions is made a condition of employment, interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment.

It is illegal and against Company policy for any worker, male or female, to harass another worker or create a hostile working environment by committing or encouraging the following acts:

- Physical assaults on another employee, including rape, sexual battery, molestation, or attempts to commit these assaults.
- Intentional physical conduct that is sexual in nature, including touching, pinching, patting, or brushing up against another employee's body.
- Unwanted sexual advances, propositions, or sexual comments, including sexual gestures, jokes, or comments made in the presence of any employee who has indicated that such conduct is unwelcome, sexual in nature, or pornographic.
- Posting or displaying pictures, posters, calendars, graffiti, objects, or other materials that are sexual in nature or pornographic.

The creation of an intimidating, hostile, or offensive working environment includes such actions as persistent sexual comments or the display of obscene or sexually oriented photographs or drawings. However, conduct or actions that arise out of a personal or social relationship and are not intended to have a discriminatory employment effect might not be viewed as harassment. The employer will determine whether such conduct constitutes sexual harassment.

Employees subjected to sexual harassment should immediately report the harassment to their Program Manager or any member of management. If the employee's immediate Program Manager is the source of the alleged harassment, the employee should report the problem to the President.

Program Managers who receive a sexual harassment complaint should immediately follow the required steps for investigating the allegations and protect the employee from retaliation.

## **Attendance and Punctuality**

To maintain a safe and productive work environment, the Company depends on its employees to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on the Company. In the rare instances when employees cannot avoid tardiness or are unable to work as scheduled, they are required to notify their Program Manager as soon as possible in advance of the anticipated tardiness or absence. This policy applies for each day of his or her absence. An employee who fails to contact his or her immediate Program Manager may be considered as voluntarily resigned. To the extent permitted by law, absenteeism and lateness diminish an employee's opportunities for advancement and may result in disciplinary action up to and including termination.

## **Personal Appearance**

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image the Company presents to the community.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions.

Consult your Program Manager if you have questions regarding what constitutes appropriate attire.

## **Return of Property**

Employees are responsible for items issued to them by the Company or in their possession or control, such as the following:

- Client lists
- Credit cards
- Equipment
- Identification badges
- Keys
- Manuals
- Pagers
- Tools
- Vehicles
- Written materials

Employees must return all Company property immediately upon request or upon termination of employment. Where permitted by applicable laws, the Company may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. The Company may also take all action deemed appropriate to recover or protect its property.

## **Resignation**

Resignation is a voluntary act initiated by the employee to terminate employment with the Company. Although advance notice is not required, the Company requests at least 2 weeks' written resignation notice from all employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

If an employee does not provide advance notice as requested, the employee will be considered ineligible for rehire.

## **Progressive Discipline**

The purpose of this policy is to state the Company position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

It is in the Company's best interest to ensure fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although employment with the Company is based on mutual consent and both the employee and the Company have the right to terminate employment at will, with or without cause or advance notice, the Company may use progressive discipline at its discretion.

Disciplinary action may call for any of the following steps: verbal warning, written warning, suspension with or without pay, or termination of employment, depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

The Company practices progressive discipline, meaning that the Company will normally follow these steps in response to repeated disciplinary problems: a first offense will result in a verbal warning; a second offense will result in a written warning; a third offense may result in suspension; and a fourth offense will result in termination of employment.

The Company recognizes that there are some employee problems serious enough to justify a suspension or, in extreme situations, termination of employment without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all serious offenses but may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, to the benefit of both the employee and the Company.

## **Problem Resolution**

The Company is committed to providing the best possible working conditions for its employees. Part of this commitment is encouraging an open and frank atmosphere in which any problem, complaint, suggestion, or question receives a timely response from the Company Program Managers and management.

The Company strives to ensure fair and honest treatment of all employees. Program Managers, managers, and employees are expected to treat each other with mutual respect. Employees are encouraged to offer positive and constructive criticism.

If employees disagree with established rules of conduct, policies, or practices, they can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with the Company in a reasonable, business-like manner or for using the problem resolution procedure.

If an employee believes a condition of employment or a decision affecting them is unjust or inequitable, he or she should take the following steps, discontinuing the procedure when the issue has been resolved:

1. Employee presents problem to Program Manager after incident occurs. If Program Manager is unavailable or employee believes it would be inappropriate to contact that person, employee may present problem to the President or any other member of management.
2. Program Manager responds to problem during discussion or after consulting with appropriate management when necessary. Program Manager documents discussion.
3. Employee presents problem to President if problem is unresolved.
4. President counsels and advises employee, assists in putting problem in writing, visits with employee's manager(s), if necessary, and directs employee to CEO for review of problem.
5. Employee presents problem to CEO in writing.

6. CEO reviews and considers problem. CEO informs employee of decision and forwards copy of written response to the employee's file. The CEO has full authority to make any adjustment deemed appropriate to resolve the problem.

Not every problem can be resolved to everyone's total satisfaction, but only through understanding and discussion of mutual problems can employees and management develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment and helps to ensure everyone's job security.