



Employee Handbook

January 2019

WELCOME

It's a pleasure to welcome you to (Company). As a new employee, it is important for you to be acquainted with the opportunities and benefits that are available to all of our employees.

Please read this handbook carefully and familiarize yourself with its contents. The information contained in this handbook is designed to make your association with (Company) a productive and pleasant experience.

If at any time you have questions concerning (Company), its policies, practices and rules of conduct or your benefits, please talk to your supervisor or contact a member of the Human Resources Department. They will be happy to help you.

Congratulations on your decision to join (Company). We are pleased that you have chosen to be a part of our organization.

On behalf of everyone at (Company), we extend a sincere welcome to you and wish you every success in your future with (Company).

Sincerely yours,

Chris Lawson

CEO

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I. Introduction

A. Introduction and Definitions

Welcome to (Company)! We are delighted you have chosen to work at (Company) and we hope that you find your employment here to be a rewarding experience.

We are providing you with our employee handbook, which is also available on the web. This handbook is intended to inform you of the general policies and work practices of (Company) Technologies, Inc. (also referred to as (Company) or (Company)). Please read it carefully and keep it for future reference. The handbook is a convenient source of information about (Company) Technologies, Inc., and its employment practices and procedures. (Company) will update the handbook as our Human Resources (HR) practices and procedures are modified. We will notify you of these changes by appropriate means as soon as possible.

This handbook is not a contract and is not intended to change any contract under which you are employed, or to modify in any way the current, “at-will” nature of your employment. “At-will” employment is explained later in this handbook.

(Company) would like to define the following terms used in the handbook:

- The term “employment” means your employment with (Company).
- The term “Company” means (Company).
- The term “employee” means the employees of (Company).
- The term “(Company) senior management” means (Company)’s President, Vice Presidents and any manager to whom the President or Vice Presidents have delegated relevant authority to make significant personnel decisions.

B. Human Resources Department

As (Company) takes steps to continue to grow and prosper, we have been striving to make some positive changes for our employees. These changes will offer a broader range of administrative services and support, freeing up management resources to fully focus our time and energy on (Company)’s core business operation. In doing so, we have hired Insuraty, Inc. out of Bowie, Maryland. The phone number for Insuraty Inc. is 301-249-9554 ext. 103.

Insuraty Inc. is part of a growing industry of Human Capital Outsource Organizations.

They focus on reducing the liabilities of employing a workforce, and devote 100% of their time to providing top quality Human Resources support. Their support will allow us to focus on company growth, and permit us to spend more quality time with our employees and clients. They are our Off-On-Site Human Resources Department.

Here’s how it works – (Company) will manage and supervise employee performance and direct the day-to-day workforce. Insuraty Inc. is designed to be an invisible, unobtrusive human resources department. Their obligation will be to:

- Administer our health and welfare benefit plans,
- Handle all unemployment claims, workers' compensation claims, and coordinate legal assistance for employee legal issues, and
- Perform personnel administration services.

Insuraty Inc. will support us with our day-to-day personnel administration. The following additional health and welfare benefits will be offered to all full time eligible employees:

- Flexible Spending Account – Section 125 (Pre-Tax savings on insurance premiums, unreimbursed medical expenses, and dependent care expenses)
- NASA Federal Credit Union
- Employee Assistance Program

C. Employment Categories

Since all employees are hired for an unspecified duration, these categories do not guarantee employment for any specific length of time. Regardless of the category in which an employee falls, they are always an employee-at-will as stated in this handbook. For purposes of salary administration and eligibility for overtime payments and employment benefits, (Company) classifies its employees as follows:

Full-Time Regular Employees

Employees hired to work a normal, full-time, 40 hour or more workweek on a regular basis. Such employees may be “exempt” or “non-exempt” as defined below.

Part-Time Regular Employees

Employees hired to work fewer than 40 hours per week on a regular basis. Such employees may be “exempt” or “nonexempt” as defined below.

On-Call Employee

An employee who works on an intermittent basis is considered a casual or “On-Call Employee.” The employee is not entitled to receive paid leave or group health insurance. However, like other employees, On-Call Employees are entitled to such benefits as overtime compensation, workers' compensation, and unemployment insurance. The term “On Call” is for reference only and does not necessarily refer to a particular requirement that an employee be available on an “on call” basis.

Temporary Employee

The employee is hired for a specific period of time, project, or assignment. The employee is paid for actual hours worked and is not eligible for benefits. Employees hired for a specific project or period of time will not experience a change in status simply because they remain in employment for a longer period of time. An employee will change from temporary to non-temporary status only if advised of such a change in writing from the HR department.

Per Diem Employee

The employee receives a higher rate of pay in lieu of non-mandated benefits, including when applicable, but not limited to, vacation, holiday, sick pay, and health care insurance. Employees who transfer from Per Diem to regular employee status do not receive a credit for their service in the capacity of Per Diem employees. A change to or from a Per Diem status can be made only with the joint written agreement of (Company) and Insuraty Inc..

Non-Exempt Employees

Employees who are, among other things required to be paid overtime under State and/or Federal law.

Exempt Employees

Employees who are not required to be paid overtime, in accordance with the Fair Labor Standards Act or State law. Executives, professional employees, outside sales representatives, certain computer programmers, and employees in administrative positions are typically exempt.

You will be informed of your initial employment classification and of your status as an exempt or nonexempt employee in your offer letter. If you change positions during your employment because of promotion, transfer, or otherwise, you will be informed by your supervisor of any change in your exemption status. Please direct any questions regarding your employment classification or exempt status to your supervisor or HR Team.

D. Notice to Our Employees

In drafting this Employee Handbook, we have avoided the use of specific gender pronouns whenever possible. However, where such avoidance would have led to very awkward sentences, we have used the masculine pronoun. This use should be considered to refer to both genders.

This employee handbook supersedes all previous employee handbooks, in addition to management memos that may have been issued on subjects covered herein.

E. Change in Policy

Since our business is constantly changing, we expressly reserve the right to change any of our policies, including those covered here, at any time. We will notify you of these changes by appropriate means. Changes will be effective on dates determined by (Company) and you may not rely on policies that have been superseded. No supervisor or manager has any authority to alter the foregoing.

If you are uncertain about any policy or procedure, please check with your supervisor or HR Specialist.

F. History of (Company)

(Company) was established in 2001. (Company) is an Information Technology firm that has successfully received its 8(a), SDB, and HUBZone certifications via the US Small Business Administration, additionally, (Company) is MBE certified by the Maryland Department of Transportation. In support of its mission, (Company) has employed an accomplished team of IT professionals who possess the right mix of experience and education to adapt to the constant technologic flux inherent to the Information Technology industry. (Company)'s staff are experienced IT Contractors and Consultants who understand government policy, security and technology solutions and the Systems on which they are deployed. As a result, (Company)'s Technical Staff have been credited with the following notable accomplishments:

- Supporting the successful development, integration, and implementation of several major projects for the Internal Revenue Service's PRIME Modernization Contract. Systems successfully deployed affect hundreds of millions of taxpayers.
- Implementing an Enterprise Management System to centralize control of the Defense Information Systems Agency (DISA)-Insuraty Inc. Initiative, Global Broadcast Systems. And
- Implementing a Database Management System to support and maintain the Federal Aviation Administration's Airworthiness Certification Service Projects.

Apart from its technical esteem, (Company) prides itself as a customer-focused group that pledges to uphold and promote business integrity and fairness in the Marketplace; because they believe in the philosophy that responsible businesses with a customer driven culture is one of the most likely to develop sustainable advantages and succeed.

G. Mission and Vision Statements

(Company)'s mission is to provide Federal, State, and Local Government Agencies with secure cost effective IT solutions to help them achieve maximum productivity, while upholding the highest standards of Business ethics.

II. Benefit Programs

A. Group Medical, Dental, and Vision Insurance

(Company) has group insurance plans including medical and dental coverage for full-time eligible employees who have completed a new hire trial period [a summary of these different plans is available to every eligible employee]. Refer to the plan descriptions to choose the one that meets you or your family's needs the best.

You may also elect to include your spouse and/or dependents on these plans. This program provides you financial protection against the high cost of medical/hospitalization should you or your family suffers from serious personal illness or injury.

Explanation of these benefits and claim forms are provided in a separate summary plan description booklet made available by the insurance carrier. There are several options to

consider, and you can choose the plan or plans that best meet you or your family's needs. Should you have further questions concerning this insurance, contact your HR Team at Insuraty Inc.. Changes in benefits and/or premium may occur from time to time.

Coverage begins on the first day of the first calendar month in which you become eligible in the plan(s). Continuation of coverage may be available to you, your spouse, or your dependents upon termination [or for other cause] with (Company) [see COBRA plan].

B. Life and AD&D Insurance

The Company provides regular full-time employees and part-time employees (working 30 hours or more per week) under the age of 70 with group term life insurance. In addition, the Company also provides Accidental Death & Dismemberment (AD&D) insurance to eligible employees. These benefits are 100% paid by the Company. There are certain tax implications associated with life insurance, thus, employees should be aware that imputed income will be added to their paycheck prior to year-end for any life insurance amount in excess of \$50,000. This automatically appears on the employees' W-2.

C. Disability Benefits

Short-term Disability (STD) and Long-term Disability (LTD) plans protect regular full-time and part-time employees (working over 30 hours per week) against loss of time in case of total or partial disability through sickness or after injury.

Employees may elect this benefit which is 100% paid by the Company. Short-term Disability pays 60% of an employees' weekly salary up to a \$1,500 per week after 8 days of consecutive illness or the first day of injury. The Long Term Disability plan pays 60% of the base monthly salary (not including overtime, incentives, commissions, or bonuses) up to a maximum benefit of \$8,000 per month, less any amounts paid under Worker's Compensation laws. The eligibility period is 90 days. Worker's Compensation is the primary and dependent disability provision of Social Security, in addition to other sources enumerated in the basic contract may not exceed 60% of the monthly salary that is subject to contributions under this plan.

D. Continuation of Health Coverage under COBRA

On April 7, 1986, a federal law was enacted [Public Law 99-272, title X] requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the new law. **[Both you and your dependent(s) should take the time to read this notice carefully.]**

If you are an employee of (Company) covered by the Group Medical, Dental and Vision Plan, you have the right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse of an employee covered by the Group Health Plan, you have the right to choose continuation coverage for yourself if you lose group health coverage under the Group Health Plan for any of the following four reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reasons other than gross misconduct) or reduction in your spouse's hours of employment; 3. Divorce or legal separation from your spouse; or
3. Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by the Group Health Plan, he or she has the right to continuation coverage if group health coverage under the plan is lost for any of the following five reasons:

1. The death of a parent;
2. A termination of a parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with (Company);
3. Parent's divorce or legal separation;
4. A parent becomes entitled to Medicare; or
5. The dependent child ceases to be a "dependent child" under the Group Health Plan.

Under the law, the employee or a family member has the responsibility to inform the Group Health Plan Benefits Administrator of a divorce, legal separation, or a child losing dependent status under Group Health Plan within 60 days of the date of the event or the date in which coverage would end under the Plan because of an event, whichever is later. Insuraty Inc. has the responsibility to notify the Plan Administrator of the employee's death, termination, and reduction in hours of employment or Medicare entitlement. Similar rights may apply to certain retirees, spouses, and dependent children if your employer commences bankruptcy proceedings and these individuals lose coverage.

When the Benefits Administrator is notified that one of these events has happened, they will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the day you would lose coverage because of one of the events described above, or the date notice of your election rights is sent to you, whichever is later, to inform the Benefits Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance coverage will end.

If you choose continuation coverage, Insuraty Inc. is required to give you coverage, which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. Under COBRA, an individual who is under an employer sponsored group health plan has the option to extend health benefits in situations where coverage might otherwise be lost. Such an individual is called a qualified beneficiary.

COBRA coverage is available for the following qualifying events:

1. If a covered employee is **terminated for any reason other than gross misconduct**, a qualified beneficiary (defined as a covered employee, the covered employee's spouse, and dependent children of the covered employee) may continue benefits for up to 18 months.
2. If a covered employee's **hours of employment are reduced below full-time status**, a qualified beneficiary (defined as a covered employee, the covered employee's spouse, and dependent children of the covered employee) may continue benefits for up to 18 months.
3. If a covered employee **becomes eligible for Medicare**, a qualified beneficiary (defined as the covered employee's spouse and dependent children of the covered employee) may continue benefits for up to 36 months.
4. If a covered employee **dies**, a qualified beneficiary (defined as the spouse of a covered employee and dependent children of the covered employee) may continue benefits for up to 36 months.
5. If a covered employee **divorces or becomes legally separated**, a qualified beneficiary (defined as the spouse of a covered employee and dependent children of the covered employee) may continue benefits for up to 36 months.
6. If the dependent child of a covered employee **loses eligibility for coverage under the plan as a "dependent child"**, a qualified beneficiary (defined as the dependent child of the covered employee) may continue benefits for up to 36 months.

The following extensions to COBRA coverage apply only if the qualifying event is either # 1 or # 2 as listed above:

- Coverage may be extended up to 29 months if the Social Security Administration determines any of the covered beneficiaries (as defined above) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage.
- Coverage may be extended for up to an additional 18 months (for a maximum of 36 months) for the spouse of a covered employee and dependent children of the covered employee if a second qualifying event occurs during the first 18 months of continuation coverage. The first qualifying event must be listed above, and the second qualifying event must be:
 - a. Death of the covered employee; or
 - b. Divorce or legal separation from a covered employee; or
 - c. A dependent child losing eligibility for coverage under the plan as a "dependent child."
- Coverage may be extended up to a maximum of 36 months for the spouse of a covered employee and dependent children of the covered employee, if the first qualifying event is listed above, and the employee became eligible for Medicare less than 18 months before the qualifying event. In that case, COBRA continuation coverage lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes

entitled to Medicare 8 months before the date on which employment ends, COBRA continuation coverage for the covered spouse and covered dependent children would last 28 months after the date of the qualifying event (36 months minus 8 months).

If you are an employee participating in a health care reimbursement plan, such as a flexible spending arrangement (or health reimbursement FSA, which is funded in whole or in part through pre-tax payroll deductions), you, or your qualified beneficiaries, may have limited COBRA continuation coverage with respect to the health FSA. Your eligibility for this limited COBRA continuation coverage will be determined based on how much of your annual reimbursement amount has been distributed to you as of the date of the qualifying event. COBRA coverage will not be offered to you if you have “overspent” your excepted health FSA as of the date of your qualifying event. Also, the limited health FSA COBRA continuation coverage period available to qualified beneficiaries who have not over spent their health FSA ends as of the end of the Plan Year in which the qualifying event occurs.

The law also provides that your continuation coverage may be terminated for any of the following five reasons:

1. (Company) no longer provides group health coverage to any of its employees;
2. The premium for your continuation coverage is not paid on time;
3. You become covered under another group health plan, unless that plan contains any exclusions or limitations with respect to any pre-existing conditions you or your covered dependents may have.
4. You become entitled to Medicare;

You extended coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage.

However, under the law, you may have to pay the entire premium, for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

The law also says that, at the end of the 18 months or 36 months continuation coverage period, you must be allowed to enroll in an individual conversion health plan provided under the current insurer’s medical plan.] If you have any questions about the law, please contact your HR Team Insuraty Inc.. Also, if you have changed marital status, or you and your spouse have changed addresses, please notify your HR Team at Insuraty Inc..

E. HIPAA

The Health Insurance Portability and Accountability Act of 1996 is another law that has provisions that may affect decisions you make about your participation in the Group Health Continuation Plan.

The new provisions, generally effective January 1, 1997, fall into these areas:

- Under previous law, only employees who were fully disabled at the time of their termination or reduction of hours and receiving disability payments from the Social Security Administration were entitled to up to 29, rather than 18, months of continuation coverage. Under the new law, dependents of employees may receive the eleven-month continuation coverage extension, and both employees and dependents may qualify for the extension if their disability exists within the first sixty days of continuation coverage under the COBRA law.
- Individuals covered under COBRA will be able to change their coverage status upon the birth or adoption of a child.
- COBRA coverage can be terminated if a qualified beneficiary becomes covered under another group health plan, regardless of certain pre-existing condition clauses.
- If you exhaust your 18-, 29-, or 36-month COBRA continuation coverage in our employer-sponsored health benefit plan(s) and are employed at that time, your new employer may establish a special enrollment period for you.
- The new law was enacted to stimulate portability of health benefits, but it states that any break in your continuing health coverage of more than 63 days may subject you and/or your dependents to up to twelve months of preexisting condition exclusions by a new group or individual health plan in which you enroll. Upon the conclusion of your continuation coverage, we will provide you with a "Coverage Certification" which will describe the term of your coverage in our Plan(s) for future health insurance sponsors.

As of April 14, 2003, the HIPAA Privacy Rule for the first time creates national standards to protect individuals' medical records and other personal health information.

- It gives patients more control over their health information.
- It sets boundaries on the use and release of health records.
- It establishes appropriate safeguards that health care providers and others must achieve to protect the privacy of health information.
- It holds violators accountable, with civil and criminal penalties that can be imposed if they violate patients' privacy rights.

And it strikes a balance when public responsibility supports disclosure of some forms of data – for example, to protect public health.

For patients, it means being able to make informed choices when seeking care and reimbursement for care based on how personal health information may be used.

- It enables patients to find out how their information may be used, and about certain disclosures of their information that have been made.
- It generally limits release of information to the minimum reasonably needed for the purpose of the disclosure.
- It generally gives patients the right to examine and obtain a copy of their own health records and request corrections.
- It empowers individuals to control certain uses and disclosures of their health information.

If you have any questions about these changes in coverage described above, please contact your HR Specialist at Insuraty Inc..

F. Flexible Spending Accounts

(Company) offers several plans that reduce taxes for certain types of expenses or payroll deductions. An Internal Revenue Service Code governs each plan. (Company)'s plan year is January 1st through December 31st.

Health Premiums

Although employees participating in the health, dental, and/or vision insurance plan(s) do not currently contribute towards the cost of premiums on (Company)'s core plan; if this was needed, employees would be able to pay their portion of premiums by payroll deduction each pay period. These deductions would be on a pre-tax basis. When this happens, the amount on which taxes are calculated is lowered, thereby reducing your taxes.

Health Care Reimbursement Accounts (HCRA)

(Company) offers very comprehensive health and dental plans; however, some out of pocket expenses may still be incurred (e.g. co-insurance, vision care, certain dental expenses, etc.) If these expenses can accurately be accounted for, they can be deducted from gross salary, again avoiding taxes. There is an annual cap of \$2700 per plan year that may be contributed into this account.

Dependent Care Reimbursement Accounts (DCRA)

Day care and other types of qualified dependent care expenses that are necessary in order to allow gainful employment can be deducted through the Flexible Spending Account. An employee is allowed to avoid taxes on up to \$2500 per plan year through this plan.

You can submit for FSA reimbursements up to 30 days after the plan year ends (by January 30); however, if your employment terminates during the plan year, you must submit a claim for reimbursement within 30 days of the date of termination of your employment.

These plans do have special provisions that require careful planning. Further details can be found in the Flexible Spending Account Handbook which is posted on the Insuraty Inc. Essentials Employee Portal.

G. 401(K)

Employees age 21 or older are eligible to participate in the 401(k) retirement savings plan. Contributions are made per pay period. Entrance to plan is on a monthly basis. Employees may contribute between 1% and 80% of pay, in increments of 1%, up to the IRS maximum annual cap. 401(k) plans permits participants who have reached age 50 by the end of the plan year to make annual catch-up contributions. Catch-up contributions are permitted once the participant has hit the annual 402(g) dollar limit, ADP limit or other imposed limit on elective deferrals for the plan year. Additional Catch-up contributions are limited to: \$5,000 in 2007 and thereafter. In accordance with the Plan, Employee Deferral Contributions shall be permitted on a pre-tax basis to a Traditional 401(k) account. Also, in accordance with the Plan, Employee Deferral Contributions shall be permitted on a post-tax basis to a Roth 401(k) account. New participants may roll over assets from former qualified plans into this 401(k) Plan.

III. Miscellaneous Benefits

A. Employee Assistance Plan

Everyone has worries from time to time. When concerns in your personal life, or at work, are beginning to weigh you down, call our EAP. The professional counselors are available 24-hours per day to help you and your family members sort things out at no cost to you. Information on the EAP is given in orientation, and depending on your situation, the counselor may:

- Help you devise a plan to solve your problem
- Refer you to a local professional for in-person help
- Tell you about helpful resources in your community

The EAP can help in a wide range of issues, including, but not limited to:

- Marriage or relationship problems
- Emotional distress
- Parenting challenges
- Stress management
- Grief and loss
- Conflict resolution
- Financial worries
- Personal legal issues (not against employers or health plans)

If you need to contact the EAP supported by Mutual of Omaha; you can reach them 24 hours a day, 7 days a week at 1-800-316-2796.

B. Strategic Alliances

Insuraty Inc. is always reviewing the latest and greatest benefits that are out there. At Insuraty Inc.'s website you can login as an employee to access all of your personal benefit offerings. Other benefits that are offered include:

- Sam's Club Business Membership
- BJ's Membership
- Discount Movie Passes
- NASA Credit Union
- Hertz
- Dell
- FTD . Transit Programs

Insuraty HR can provide you with more information, or go to www.Insuraty.com/PerksAccess for more information.

C. Employee Referral Bonus

A Referral/Recruitment bonus is paid to full time employees who refer an individual to (Company) who is hired to meet the requirements of an open position. The referred employee must be a full time employee for 3 consecutive months before the referral bonus is paid to the referring employee.

D. Annual Bonus Plan

A bonus is given to those employees who demonstrate consistent, exceptional performance above and beyond their daily job responsibilities. Group Managers, Corporate Managers and Executive Management determine candidates and bonus amounts. A few of the determining factors are: employee contribution to customer satisfaction, new business acquisition, and non-project related assistance that benefits the corporation. To qualify for this benefit you must be a fulltime employee for six (6) months.

E. Workers' Compensation

(Company) provides workers' compensation benefits to employees for job related injury or illness. This insurance provides for medical care and temporary disability, and benefits for permanent disability.

Creating a safe place to work, free of accidents, is everyone's concern. If you become injured or ill on the job, you are to report immediately to your supervisor. Your supervisor will complete an "Employer First Report of Injury" which must be submitted to Insuraty Inc.'s HR Team, or a place designated by Insuraty Inc., within twenty-four (24) hours following the accident or illness. Medical care will be provided as required by workers' compensation statutes. If you fail to report an accident that develops into a "lost time accident" at a later date, you may have difficulty in obtaining workers' compensation benefits. No matter how insignificant an injury may seem at the time of occurrence, you should notify your supervisor immediately.

Workers' compensation insurance does not cover the payment of workers' compensation benefits for any injury that arises out of your voluntary participation in any off duty recreational, social, or athletic activity that is not a part of your work related duties

F. Unemployment Insurance

You are covered by state and federal unemployment insurance. The contribution to this benefit requires no payroll deduction on your part. You are entitled to this plan if you become unemployed through no fault of your own. Information about unemployment insurance can be obtained from Insuraty Inc.'s HR Team.

G. Social Security

You are covered under the provisions of the Federal Insurance Contribution Act (FICA). Social Security benefits are often a significant influence for you and your family in preparing for the future. The amount of deduction from your wages is matched by the firm and credited toward your Social Security benefits. If you need assistance, contact either Insuraty Inc. or your local Social Security office for further details.

IV. Pay and Hours

A. Hours of Work

Our regular hours of operation are 9AM - 5PM. All full time employees are expected to work a minimum of eight hours a day, five days a week. The workweek is Monday - Friday for purposes of calculating overtime. Employees are allotted up to one hour for lunch each day unpaid, in addition to the eight hours worked. Check with your supervisor to confirm your working hours. Staffing needs and operational demands may necessitate variation in starting and ending times, as well as variation in the total hours that may be scheduled each day and week.

In order to allow employees to plan for time off, it will be our practice to notify you of changes to your work schedule as far in advance as possible. It should be recognized that additional overtime and work other than that which is regularly scheduled may be required. Each department manager will assign overtime tasks, and all employees will be expected to perform such work as needed.

B. Time-Keeping for Payroll

Each department manager is responsible for tracking time for all nonexempt personnel under their supervision. The time sheet is used for payroll records, which must be maintained accurately at all times. Each employee is expected to keep a daily time sheet. Any discrepancies between the two documents should be resolved by the supervisor/manager before transmittal to the Payroll Specialist for payment.

If you cannot be at work due to sickness, jury duty, or other excusable circumstance, or if you will be late arriving to work, notify your supervisor, in advance if possible. In the event of a disabling sickness or accident while performing your duties, notify your supervisor immediately. Your supervisor will see that your time out is noted on your timesheet.

C. Overtime Pay

You may be asked to work overtime at the request and authorization of your supervisor. Employees who are exempt under both the Fair Labor Standards Act and applicable state law are not entitled to overtime pay. Only nonexempt employees qualify for overtime pay. Overtime pay is based on hours actually worked per workweek in accordance with state and federal requirements. Employees shall record all time on timesheets. Time is rounded to the nearest tenth of an hour.

D. Your Salary

(Company) has a goal of providing you with a fair and equitable salary for the job you perform. Raising wages depends on job responsibilities, ability to get along with other workers, your performance, and willingness to cooperate and accept supervision, attendance, and other job-related factors.

E. Payroll Deductions

(Company) is required by law to recognize certain court orders, liens, and wage assignments. When (Company) receives a notice of a pending garnishment or wage assignment, we will inform the employee of our receipt of the garnishment and process appropriate deductions and payments.

(Company) is required to make proper deductions from your earnings on your behalf. Amounts withheld vary according to how much you earn, your marital status, government employment regulations, among other factors. These mandatory deductions are made until the maximum amount is reached. Mandated withholdings include some of the following:

- Federal Income Tax
- State Income Tax
- Social Security
- Disability Insurance

Other deductions may be made from your paycheck with your permission, including:

- Credit Union
- Dependent Health Insurance Coverage
- Vision Benefits
- Dental Care
- Garnishments
- Other Services Requested by the Employee

F. Payday

(Company)'s pay cycle for each employee is on a bi-weekly pay period as indicated on your "Conditions of Employment." Paychecks or pay stubs are delivered to you on payday and if permitted by your bank, (Company) may also use direct deposit to your account(s). (Company) does not provide any payroll advances or extend credit to employees. If you lose your paycheck, notify your Payroll Specialist IMMEDIATELY.

G. Direct Deposit of Paychecks

You may elect direct deposit of your paycheck in any bank that is a member of the Automated Clearing House Association of Banks. Applications for participation are available through your Payroll Specialist or on line.

H. Administrative Pay Corrections

(Company) takes all reasonable steps to assure 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, you should promptly bring the discrepancy to the attention of your Payroll Specialist so that corrections can be made as quickly as possible.

Corrections of paychecks will be made in the next regular paycheck unless this presents a burden to the employee (where there is a substantial amount owed). In that case, (Company) will attempt to arrange a schedule of repayment(s) with the employee to minimize the inconvenience to all parties involved.

I. Absenteeism and Tardiness

Absenteeism and tardiness represent a serious loss to you and your company. If you are absent, others have to do your part, and work scheduling becomes difficult and imposes a hardship on your coworkers. It is important that you be at work at your appointed time every day you are scheduled.

If you are absent for more than three consecutive workdays, a statement from a physician may be required before you will be permitted to return to work.

If you are going to be absent or late, you must report to your supervisor before this happens. If you fail to report to work for three consecutive scheduled working days without proper notification, your supervisor will consider you to have “abandoned” your job and you will be considered a voluntary resignation.

V. Time Away From Work

A. Paid Leaves

(Company)’s policy for leave, holiday, bereavement, or other paid leaves is described in greater detail below. In order to be eligible for these benefits, you must qualify as a regular full-time employee.

These benefits are intended to provide eligible employees with a period of rest and relaxation away from work. Accordingly, you are encouraged to schedule vacations with your Supervisor and use all paid leave benefits in a calendar year.

In the event of illness, a notification from your doctor may be required before returning to work after an absence of longer than three days.

B. Vacation and Sick Leave

Vacation begins to accrue upon date of hire. Accrued hours should be utilized in the employment year in which it is earned. Vacation and sick leave are accrued per pay period. There is no carryover of unused accrued leave per anniversary date. Negative vacation and sick leave is not allowed. For specific leave accrual information, please defer to your offer letter.

All leave shall be requested in writing and scheduled in advance with the employee’s immediate Supervisor to ensure that any leave does not conflict with job requirements. When scheduling time, employees must give at least two week’s notice to their Supervisor so that business requirements can be fulfilled in their absence. It is the responsibility of the employee to confirm with the immediate Supervisor that sufficient leave has accrued before requesting leave.

Because we offer a generous leave package and allow employees to “make up” time, the use of leave without pay (LWOP) is generally not allowed for extended periods of time. LWOP is reserved in instances where an employee may not have time accrued, and has a negative time bank balance. Management reserves the right to approve or disapprove any LWOP time. (Company) may advance vacation days to an employee upon request, subject to approval by their Supervisor and the President. In no case may more than a total of 24 hours of paid leave be advanced. Should an employee terminate from Delmock for any reason, any negative leave hours will be deducted from the employee’s final paycheck. In the event the final paycheck does not cover the leave balance owed, the employee must make arrangements for the balance to be paid back to Delmock via personal check.

If an employee terminates their employment for any reason, unused hours are not paid at the time of termination. Further, if an employee terminates employment within the first 6 months, any time taken will be deducted from their final paycheck. Employees may not use vacation hours during their notice period and may not use accrued balances for purposes of calculating the termination date. Termination dates are the last day actually worked.

C. Holidays

Full-time employees are eligible for paid holidays during each calendar year. To receive holiday pay you must work the regularly scheduled workday before and after the holiday, unless the Supervisor approves an exception in writing. A paid holiday does not count as a day worked in calculating overtime for the week.

Ten holidays are observed by (Company) each year:

- New Year’s Day
- Martin Luther King Jr’s Birthday
- President’s Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran’s Day
- Thanksgiving Day
- Christmas Day

D. Inclement Weather

(Company) follows the Federal Government’s lead when deciding when employees are excused from work based upon local weather conditions. If local media broadcast that the Federal Government is closed, then (Company) is closed. If the Federal Government is on liberal leave, (Company) will allow liberal leave. Liberal leave means employees can take unscheduled leave for the day and not need to report for work

E. Jury and Witness Duty

You may be granted time off, as requested by the court, to serve as juror or witness. If your job is considered essential, your supervisor reserves the right to request the court to have you excused.

If you are required by law to appear in court as a witness, you may take unpaid time off provided you arrange this with your supervisor in advance.

F. Voting Time

You are encouraged to vote in local, state, and federal elections. In most instances, you can vote before or after working hours. When hardships make this impractical, you may be granted time off with prior approval from your supervisor.

G. Lactation Break

(Company) will provide a reasonable amount of break time to accommodate a female employee's need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with other break periods already provided. Non-exempt employees should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time generally will be unpaid. (Company) will also make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area, for the employee to express milk in private.

Employees should notify their immediate supervisor or the Insuraty Inc. Human Resources Department to request time to express breast milk under this policy. (Company) does, however, reserve the right to deny an employee's request for a lactation break if the additional break time will seriously disrupt operations.

H. Military and the National Guard

As a member of the United States Military Reserve or National Guard, you may be required to take time off to meet annual minimum active training requirements. Contact your supervisor to determine how you will be paid for this time off.

I. Medical and Dental Appointments

Medical and dental appointments should be scheduled around your assigned work schedule. If this is impossible, talk to your supervisor to make special arrangements.

J. Bereavement

Up to two (2) days' leave is granted in the event of a death in the employee's immediate family, defined as a spouse, parent, grandparent, child or siblings; or anyone with such relation through marriage. If additional time is needed, you may use your Paid Time Off. Please coordinate this time with your supervisor.

VI. General Employment Information

A. Employment at Will

Each employee of (Company) is an at-will employee. This means that you may leave your employment at any time, with or without cause, and with or without prior notice, although (Company) does request adequate advance notice when possible. Likewise, you may be discharged with or without cause, and with or without prior notice at any time but (Company) will try to provide advance notice when possible.

Further, no representative of (Company), other than the President, has the authority to enter into an agreement of employment for any specified period of time or to make any agreement contrary to the foregoing and any agreement with the President must be in writing, signed, and dated to be binding.

This lack of guarantee and lack of employment contract also applies to other benefits, working conditions, and privileges of employment with (Company).

B. Equal Employment Opportunity

(Company) provides equal employment opportunities to all employees and applicants for employment without regard to race, color, religion, sex, national origin, age, disability, or status as a Vietnam-era or special disabled veteran in accordance with applicable federal and state laws. In addition, (Company) complies with applicable state and local laws governing nondiscrimination in employment in every location in which (Company) has facilities. This policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

(Company) expressly prohibits any form of unlawful employee harassment based on race, color, religion, sex, national origin, age, disability, or status as a Vietnam-era or special disabled veteran. Improper interference with the ability of (Company)'s employees to perform their expected job duties is not tolerated.

C. Americans with Disabilities Act (Title I)

Private employers, state and local governments, employment agencies, labor unions, and joint labor-management committees must comply with Title I of the ADA. Title I prohibits covered employers from discriminating against a "qualified individual with a disability in any term, condition or privilege of employment." A qualified individual with a disability is an individual with a disability, who meets the skill, experience, education, and other job-related requirements of a position held or desired, and who, with or without reasonable accommodation, can perform the essential functions of a job.

A qualified employee with a disability is encouraged to request an accommodation if needed to perform the job tasks more effectively. Make your request to your Manager, who will then meet with you to discuss your disability in relation to the duties of your job. (Company) has adopted the following definitions of "disability" as provided by the Americans with Disabilities Act:

Individual with a disability means any person who:

- Has a physical or mental impairment which substantially limits one or more of such person's major life activities;
- Has a record of such impairment; or
- Is regarded as having such impairment.

Substantially limits means:

- Unable to perform a major life activity that the average person in the general population can perform;
- Significantly restricted as to the condition, manner, or duration under which an individual can perform a particular major life activity as compared to the condition, manner, or duration under which the average person in the general population can perform that same major life activity; or
- Significantly restricted in the ability to perform either a class of jobs or a broad range of jobs in various classes as compared to the average person having comparable training, skills, and abilities. The inability to perform a single, particular job does not constitute a substantial limitation in the major life activity of working.

Major life activities means:

- Functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working.

Further information about the ADA can be obtained from your HR Specialist.

D. Drug-Free Workplace Statement

(Company) complies with the Drug-Free Workplace Act concerning drugs in the workplace:

- Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. It is our intent and obligation to provide a drug-free, healthful, and safe work environment.
- The unlawful manufacture, distribution, possession or use of a controlled substance on (Company)'s premises or while conducting (Company)'s business off its premises is absolutely prohibited. Violations of this policy will result in disciplinary action, up to and including termination, and may have legal consequences.
- Employees must report any conviction under a criminal drug statute for violations occurring on or off (Company)'s premises while conducting company business. A report of a conviction must be made within seven (7) days after the conviction.
- (Company) recognizes drug dependency as an illness and a major health problem. (Company) also recognizes drug abuse as a potential health, safety and security

problem. Employees needing help in dealing with such problems are encouraged to use our employee assistance program and health insurance programs. (Further information about these programs are available from the HR Specialist.) Conscientious efforts to seek such help will not jeopardize any employee's job and will not be noted in any personnel record.

- (Company) may require that an employee submit to drug and/or alcohol testing where permitted by law, including but not limited to where there is a reasonable suspicion that an employee has violated the Drug-Free Workplace policy and on a random or periodic basis in cases where employees work in safety sensitive positions.

E. Immigration and Employment Eligibility

In compliance with the Immigration Reform and Control Act of 1986, (Company) will hire only those individuals who are authorized to work in the United States. All individuals will be required to submit documentary proof of their identity and employment authorization. Employees will also be required to complete, and sign under oath, **Department of Homeland Security Form I-9**. Form I-9 requires you to attest that you are authorized to work in the job for which you are hired and that the documents you submit are genuine.

If you are authorized to work in this country for a limited period of time, before the expiration of that period you will be required to submit proof of your employment authorization and sign another Form I-9 in order to remain employed by (Company).

F. Uniform Services Employment and Reemployment Rights Act (USERRA)

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), (Company) is required to grant an unpaid military leave of absence to any employee who requests such leave in order to perform service in the uniformed services. It is the policy of our company to comply with USERRA and all other state, federal, and local laws. In case of any conflicts between this policy and federal, state, or local laws, such applicable laws shall control, subject to conflict of laws principles.

The uniformed services are the Army, Navy, Marine Corps, Air Force, Coast Guard, and the commissioned corps of the Public Health Service. This includes the Reserve components of these services and the Army National Guard and Air National Guard. Under another Federal law, enacted in 2002, Congress has extended reemployment rights under USERRA to persons who serve as Intermittent Disaster Response Appointees (IDRAs).

IDRAs are temporary, intermittent employees of the U.S. Department of Health and Human Services. They respond, often on very short notice, to emergencies involving infectious diseases or weapons of mass destruction, and they also engage in training for such dire contingencies. They are protected by USERRA both for actual emergencies and for training.

USERRA broadly defines the term "service in the uniformed services," as follows:

The term “service in the uniformed services” means the performance of duty *on a voluntary or involuntary basis* in a uniformed service under competent authority and includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard duty, a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty, and a period for which a person is absent from a position of employment for the purpose of performing funeral honors duty as authorized by section 12503 of title 10 or section 115 of title 32.

38 U.S.C. 4303(13)(emphasis supplied).

An employee of (Company) who leaves his or her job for voluntary or involuntary service in the uniformed services will, upon giving us notice, be granted an unpaid military leave of absence. Some of our employees will perform inactive duty training in the National Guard or Reserve. Such inactive duty training is normally but not always performed on weekends. Those National Guard and Reserve members will also perform annual training and/or specialized training in their Reserve components. National Guard and Reserve service is no longer limited to “one weekend per month and two weeks per year.” Many National Guard and Reserve members now perform training that is much more frequent and lengthy.

With two exceptions, our company is not required to pay an employee who is away from work performing service in the uniformed services. The first exception is under section 4316(d) of USERRA, 38 U.S.C. 4316(d). An employee who is away from work performing service in the uniformed services is entitled (not required) to use and be paid for any vacation that the employee has accrued and not used prior to the period of service. Normally, (Company) is not required to accede to an employee’s request to take vacation at a particular time, but in this case we do not have that option. If the employee has vacation to use and requests to use that vacation during a period of service, our company is required to honor that request. We are not required to advance vacation days to an employee under these circumstances, but the employee is entitled to use any vacation days that he or she has already accrued.

The choice to use vacation during service rests entirely with the employee. It would be unlawful for (Company) to require the employee to use accrued vacation days in this way. Some employees will want to use their vacation days during service, in order to maximize earnings at a time of reduced income, after mobilization. Other employees will want to conserve their vacation days, in order to take vacation after returning from service.

The other exception relates to managerial and executive employees who are *exempt from overtime rules* under the Fair Labor Standards Act (FLSA). These employees work on a salaried rather than an hourly rate. If such an employee works *part of the week* here at (Company) but misses another part of the week while performing uniformed service, we are not permitted to dock the employee for the hours not worked. We are permitted to consider what the employee earns from the military, and to pay the difference. If the employee is away from work for the entire week, we are not required to pay anything for that week. This is an FLSA requirement, not a USERRA requirement.

USERRA applies to employees in probationary, seasonal, or “temporary” positions. There is no requirement that the employee have been employed for this company for any minimum period before the absence for uniformed service.

USERRA is not limited to the National Guard and Reserve. An employee who leaves employment with this company for service in the regular military also can have rights under USERRA. The law also protects an employee who takes a day or two off from work for the purpose of an examination to determine fitness to join any branch of the service. After completion of such an examination, regardless of the outcome, the employee is entitled to reemployment under USERRA.

Eligibility Criteria

An employee who leaves employment at this company for service in the uniformed services will be entitled to reemployment, provided he or she meets the USERRA eligibility criteria:

1. The employee (or an appropriate officer of the uniformed service) must have given us prior oral or written notice of the impending service.
2. The employee’s cumulative period or periods of service, relating to this company, shall not have exceeded five years.
3. The employee must have completed the period of service without having received a punitive or other than honorable discharge or having been dismissed or dropped from the rolls of the uniformed service.
4. The employee must have made a timely application for reemployment or have been timely in reporting back to work.

Prior Notice

We would prefer that the notice be in writing, but oral notice is sufficient under the statute. We want employees to give us as much advance notice as possible, but we realize that circumstances arise where the employee does not receive notice from the service until the last minute. No specific amount of advance notice is required, but the notice must be given before leaving the civilian job. Advance notice is not required in those rare cases where advance notice is precluded by military necessity or otherwise impossible or unreasonable.

The specific wording of the employee’s notice is of no consequence, so long as the employee conveys the information that he or she is leaving the job for the purpose of service. The use of a word like “resign” does not defeat the employee’s right to reemployment, so long as the employee has informed us that military service is the reason for the resignation.

Our company recognizes that individuals serving in the National Guard and Reserve need time off from work sufficient to enable them to travel to the place of training and have a night of rest, before starting the training, so that they can perform the training in a safe and effective manner. We will approve requests to be away from work on Friday, and particularly Friday evening, prior to inactive duty training on Saturday.

Five-Year Limit

The five-year limit is measured from the date of commencement of the individual's employment relationship with this company. Uniformed service performed before the individual's hire date is irrelevant for purposes of the individual's USERRA rights for this company. Reserve and National Guard training and involuntary call-ups do not count toward the individual's five-year limit. Some voluntary service is also excluded in computing the five-year limit. Please check with the personnel office before denying reemployment on the basis of the five-year limit.

Release from Service Under Honorable Conditions

An individual does not have reemployment rights with this company if he or she has received a punitive (by court martial) or other-than-honorable discharge or if he or she has been "dropped from the rolls" of the uniformed service. Please check with the personnel office before denying reemployment on the basis of the characterization of the individual's service.

Timely Application for Re-Employment

Period of 1-30 Days of Service

After a period of less than 31 days of service, the employee is required to report for work at the start of the first full regularly scheduled work period on the first day after the completion of the period of service, the time reasonably required for safe transportation from the place of service to the individual's residence, and a period of eight hours (for rest). If reporting that next day is impossible or unreasonable because of factors beyond the individual's control (like an accident on the return trip), the individual is required to report for work as soon as reasonably possible thereafter.

Period of 31 Days of Service or More

If the period of service is greater than 30 days but less than 181 days, the individual is required to submit an application for reemployment within 14 days. If the period of service is 181 days or more, the individual must submit an application for reemployment within 90 days. No particular form is required for the application for reemployment, and our company will not try to deny reemployment based on quibbling with the wording. If the individual communicates with us, within the 14 days or 90 days, and tells us that he or she is available to return to work after service, we will offer reemployment to the individual.

Effect of Tardiness in Reporting Back to Work

If the individual misses the relevant deadline by a day or two, he or she is entitled to reemployment, but he or she is subject to our usual policy regarding explanations or sanctions for absence from scheduled work. For example, assume that the employee is returning from a period of 179 days of service and has 14 days to submit the application for reemployment. The employee submits the application on day 15. She has the right to reemployment, but she may be subject to a two-week suspension without pay for one day of unexcused absence.

Entitlements After Returning From Work

Prompt Reinstatement

After a period of less than 31 days of service, the employee is required to report for work on the next workday, as explained above. The employee will be considered to be back on the payroll as of the time he or she reports for work.

After a period of 31 days or more of service, the employee is required to submit an application for reemployment. If the employee submits a timely application and meets the other eligibility criteria, we will act promptly on that application. We will not make the returning service member wait for a vacancy, and if training or retraining is needed we will offer it to the employee “on the clock.” We will offer reemployment to the individual not later than the start of the second two-week pay period after the pay period when the individual submits the application for reemployment.

For example, assume that the individual submits the application for reemployment on Tuesday, December 30, 2003. The next pay period begins on January 5 and the second pay period begins on January 19. The individual will be offered the opportunity to report back to work and be back on the payroll as of January 19, if not sooner.

Continuous Accumulation of Longevity for Seniority Purposes

A person who returns to employment with our company after service in the uniformed services, and who meets the eligibility criteria under USERRA, is entitled to continuous company longevity for the entire period of the military-related absence. This includes the period between leaving the job and the start of the service, the period of service, the period (up to 90 days) during which the individual waited to submit the application for reemployment, and the period between the application for reemployment and returning to work.

For example, assume that Connie Smith joined our company on January 1, 2000. On November 1, 2002, she gave us notice of impending service and actually left the job on November 20, 2002. The person served on active duty from December 1, 2002 to November 30, 2003, and she applied for reemployment on January 15, 2004. Upon her return to work on January 29, 2004, she is entitled to continuous company seniority since January 1, 2000.

Upon reemployment, Connie Smith is entitled to pay raises, promotions, and other benefits that she would have received, in accordance with seniority, at some time between November 2002 and January 2004. It is our company policy to give the returning veteran the benefit of the doubt. We will accord Ms. Smith (and all others similarly situated) the promotions, pay raises, and benefits that she *probably* would have received if she had been continuously employed.

Continuous Accumulation of Longevity for Retirement Purposes

(Company) has a defined contribution plan, funded jointly by (Company) and individual employees. An individual employee is permitted to set aside between 1% and 80% of his or her company compensation, pre-tax, and (Company) will make a discretionary match based on the employee's contribution.

A returning veteran who meets the USERRA eligibility criteria will be given the opportunity to make up missed employee contributions to the defined contribution plan. Such make-up contributions must be made within the period that begins on the date of reemployment and extends for three times the period of service, but not more than five years. All such make-up payments shall be made on a pre-tax basis. The employee will be given the opportunity to set aside between 1% and 50% of her imputed income, during the period of service, even if she was not putting money in the defined contribution plan before the period of service. When she makes those contributions, after returning from service, (Company) will provide any applicable discretionary matching contributions.

Employer and employee contributions to the defined contribution plan account will be based on what she *would have earned* from (Company) during the military-related absence. What she earned from the military is irrelevant. The determination will be based on the pre-service rate of compensation, plus any pay raises or promotions that are based on seniority or cost-of-living that the employee would have received during the military-related absence.

Some employees of this company are compensated in such a way that the amount that the employee *would have earned* during the military-related absence is not readily determinable after the fact. For example, John Jones works in our sales force, and more than half of his compensation comes from commissions. It is impossible to determine exactly how much he would have earned in commissions, if his career at our company had not been interrupted by service. In that situation, the amount that Jones would have earned will be computed based on his average rate of compensation during the last year of company service before the military-related interruption. If he was employed for less than one year, the computation will be based on his average rate of compensation during his entire period of employment at this company.

Status If the employee's period of service was less than 91 days, he or she is entitled, upon reemployment, to the exact job that he or she would have attained if he or she had been continuously employed. In most cases, that will be the same as the pre-service job.

If the period of service was 91 days or more, our company has the option to reemploy the returning veteran either in the position that he/she would have attained or, alternatively, in another position of like seniority, *status*, and rate of pay. Offering the returning veteran reemployment in a position that is not of like status is not a sufficient compliance with USERRA.

Location (commuting area) is an aspect of status. Offering to reemploy the veteran in a distant city is not a sufficient compliance with USERRA, unless the evidence establishes that the job itself was moved to that distant city during the employee's military-related absence. Other aspects of status include hours of work (most employees prefer to work during the day, not at night.), opportunity to earn commissions or to be promoted, etc. If we offer the returning veteran reemployment in an alternative job, we must ensure that the alternative job is equivalent in all respects to the job that he or she would have attained if continuously employed.

If we offer the returning veteran reemployment in an alternative position, it must be a position for which the employee is qualified. Putting an employee in a position for which he or she is not qualified is a recipe for failure and would not be a sufficient compliance with USERRA.

Training or Retraining

If an employee returns to work after a long period of military service, he or she may find that many things have changed in the interim. There will have been technological developments and changes in ways of doing business. The returning veteran is entitled to the training or retraining that he or she would have received if continuously employed.

Special Protection Against Discharge, Except for Cause

The returning veteran who meets the USERRA eligibility criteria may not be discharged, except for cause, within one year after reemployment, if the veteran's period of service was 181 days or more. If the period of service was 31-180 days, the period of special protection is 180 days. If the employee is discharged during the special protection period, our company has a heavy burden of proof, to show that the employee was discharged *for cause*.

This special protection provision applies even if the employee was in an at-will or probationary status before leaving for service. The special protection provision is intended to protect the veteran from a bad faith or *pro forma* reinstatement. Please do not try to discharge a returning veteran during the special protection period without first checking with the Human Resources Department.

Entitlements of Returning Disabled Veterans

Some of our employees who have been called to serve will return with temporary or permanent physical limitations, resulting from service-connected injuries or illnesses. In such a situation, we are required to make *reasonable accommodations* in equipment, scheduling, etc. in order to enable the employee to perform the duties of his or her escalated reinstatement position (the position that he or she would have attained if continuously employed). Of course, some disabilities cannot be accommodated. If the employee cannot be reinstated in the escalated reinstatement position, he or she is entitled to reinstatement in some other position, the duties of which he or she can perform despite the limitations. The employee is entitled to the position that comes as close as possible (in terms of seniority, status, and pay) to the position to which he or she would be entitled but for the disability.

Reinstatement of Health Insurance Coverage

An employee returning from service, and who meets the USERRA eligibility criteria, is entitled to *immediate reinstatement* of our company health insurance coverage upon reemployment. This applies to coverage for the employee and for family members who would have been covered if the employee had been continuously employed. This includes children born or adopted during the employee's military-related absence from work. There must be no waiting period, and no exclusion of "pre-existing conditions" except for conditions that the U.S. Department of Veterans Affairs has determined to be service-connected.

Entitlements During Service

Furlough Or Leave Of Absence Clause

An employee who is away from work performing service in the uniformed services is entitled to *non-seniority benefits*, during the military-related absence, if and to the extent that our company offers such benefits to employees on some other form of leave, like jury leave, educational leave, or maternity/paternity leave.

Continuation Of Health Insurance Coverage During Service

An employee who notifies us that he or she will be away from work performing service is entitled to elect continued health insurance coverage, through our company, *during* the military-related absence from work. If the period of service (as called for in the individual's military orders) is for less than 31 days, (Company) is permitted to charge *only the employee share* of the cost of the coverage. If the period of service is greater than 30 days, (Company) is permitted (but not required) to charge up to 102% of the entire premium, including the part that the employer normally pays in the case of active employees. We are required to make this continuing coverage available to the employee who is away from work for service until the first of the following occurs:

1. The employee returns to work after service.
2. The employee allows the deadline for an application for reemployment to pass without having made such an application.
3. Eighteen (18) months have passed since the employee left his or her civilian job for service.

The right to reinstated coverage after service is *not* contingent on continuing coverage during service. Most of our employees who leave for service of more than 30 days will not elect continued coverage during service, because during their service they are entitled to use the military health care system for themselves and their families.

Protection Against Discrimination

Section 4311(a) of USERRA provides as follows:

A person who is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service shall not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

It would be unlawful for our company to deny an individual initial employment, or to deny an existing employee any benefit, or to fire an employee, because of the person's membership in a uniformed service, obligation to perform future service, etc. It is our policy to obey this law. We will not consider military status or service when making hiring, promotion, or firing decisions.

G. Unlawful Harassment and Unlawful Discrimination

(Company) is committed to providing a work environment free of unlawful discrimination and unlawful harassment based on race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, protected medical condition, genetic information, disability or any other category protected by applicable state or federal law. Our Company's environment encourages mutual respect, promotes respectful and congenial relations between co-workers, including all levels of management, vendors and customers. Unlawful harassment is strictly prohibited under Title VII of the Civil Rights Act of 1964. (Company) will not tolerate such conduct. In keeping with this commitment, (Company) will vigorously enforce its policy against: unlawful harassment and unlawful discrimination.

All reported or suspected occurrences of unlawful harassment will be promptly and thoroughly investigated. Where harassment is determined to have occurred, (Company) will immediately take appropriate disciplinary action, including written warnings and possible suspension, transfer and/or termination.

(Company) will not permit or condone any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation of same.

1. The term "harassment" includes but is not limited to unwelcome slurs, jokes, verbal, graphic or physical contact relating to an individual's race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, protected medical condition, genetic information, disability or any other category protected by applicable state or federal law.
2. Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of sexual nature where:
 - a) Submission to such conduct is made either explicitly or implicitly a term or condition of employment;
 - b) Submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
 - c) Such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.
3. The term "harassment" may also include conduct of employees, supervisors, vendors and/or customers who engage in verbally or physically harassing behavior which has the potential for humiliating or embarrassing an employee of (Company).

Complaint Procedure

(Company) provides its employees with a convenient and reliable method for reporting incidents of harassment, including sexual harassment.

Any employee who feels that they have been or are being harassed, or discriminated against, is encouraged to immediately report the unwelcome conduct to their immediate supervisor, manager, owner of (Company), or if necessary for resolution, to the Insuraty Inc. Human Resources Department. The report should include all facts available to the employee regarding the harassment. To contact Insuraty Inc., call (301) 249-9554. Employees are directed to immediately contact Insuraty Inc. in any instance in which they feel that a complaint has not been adequately addressed by their supervisor or anyone else to whom they have complained regarding harassment.

Your notification of the problem is essential to us. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring your concerns and/or problems to our attention so that we can take whatever steps are necessary to address the situation. (Company) takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

Confidentiality

All complaints of unlawful harassment which are reported to management will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Investigation Procedure

Once a complaint is received, (Company) will begin a prompt and thorough investigation. The investigation may include interviews with all involved employees, including the alleged harasser, and any employees who are aware of facts or incidents alleged to have occurred.

Once the investigation is completed, a determination will be made regarding the validity of the harassment allegations. If it is determined that harassment has occurred, prompt remedial action will be taken. These may include some or all of the following steps:

1. Restore any lost terms, conditions of benefits of employment to the complaining employee.
2. Discipline the harasser. This discipline can include written disciplinary warnings, transfer, demotion, suspension, and termination.

If the harasser is from a vendor or customer, (Company) will take appropriate action to stop the complained of conduct.

Duties of Employees and Supervisors

All employees of (Company), both management and non-management, are responsible for assuring that a workplace free of unlawful harassment is maintained. Any employee may file a harassment complaint regarding incidents experienced personally or incidents observed in the workplace. (Company) strives to maintain a lawful, pleasant work environment where all employees are able to effectively perform their work without interference of any type and requests the assistance of all employees in this effort.

All Company supervisors and managers are expected to adhere to (Company)'s anti-harassment policy. Supervisors' evaluations may include an assessment of the supervisor's efforts in following and enforcing this policy.

All managers and supervisors are responsible for doing all they can to prevent and discourage unlawful harassment from occurring. If a complaint is raised, supervisors and managers are to act promptly to notify the Human Resources Department of the complaint so that Human Resources may proceed with an investigation. If a supervisor or manager fails to follow this policy, he or she will be disciplined. Such discipline may include termination.

If a solution is not reached, you and the Co-Employer or his or her representative can appeal to the President of Insuraty Inc. and the dispute will be forwarded to Mediation and Arbitration.

H. Policy Against Retaliation

(Company) is committed to prohibiting retaliation against those who report, oppose, or participate in an investigation of alleged wrongdoing in the workplace. By way of example only, participating in an investigation of alleged wrongdoing in the workplace, includes, but is not limited to:

- Filing a complaint with a federal or state enforcement or administrative agency;
- Participating in or cooperating with a federal or state enforcement agency that is conducting an investigation of (Company) regarding alleged unlawful activity;
- Testifying as a party, witness, or accused regarding alleged unlawful activity;
- Associating with another employee who is engaged in any of these activities; · Making or filing an internal complaint with (Company) regarding alleged unlawful activity;
- Providing informal notice to (Company) regarding alleged unlawful activity.

(Company) strictly prohibits any adverse action/retaliation against an employee for participating in an investigation of any alleged wrongdoing in the workplace. If you feel that you are being retaliated against you should immediately contact your immediate supervisor, manager, owner of (Company), or if necessary, the Insuraty Inc. Human Resources Department. The report should include all facts available to the employee regarding the alleged harassment. To contact Insuraty Inc., call (301) 249-9554.

In addition, if you observe retaliation by another employee, supervisor, manager or nonemployee, please report the incident immediately to your immediate supervisor, manager, owner of (Company), or if necessary, the Insuraty Inc. Human Resources Department. The report should include all facts available to the employee regarding the alleged harassment. To contact Insuraty Inc., call (301) 249-9554.

Any employee determined to be responsible for violating this policy will be subject to appropriate disciplinary action, up to and including termination. Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination.

I. New Hire Policies

Applicants may be required at (Company) or supervisor's request to successfully pass a physical examination or other test considered legal and applicable. In other applicable situations, you may be required to take a driver's examination and present proof of a valid driver's license and certificate of insurance issuance on your vehicle. Failure to maintain acceptable driving standards or vehicular insurance may be sufficient cause for immediate termination.

In special cases, other new hire policies may be necessary for a particular job requirement. These will be added as an amendment to your "Conditions of Employment."

J. Safety and Accident Prevention

Safety is a vital concern of (Company). The ultimate responsibility for safety lies with you. We need your help in promoting safety and the prevention of accidents by observing the following common sense rules.

Responsibilities of the Employee:

- Obeys the safety rules.
- Follows safe job procedure. Never takes shortcuts.
- Keeps work area clean and free from slipping or tripping hazards.
- Uses prescribed personal protective equipment.
- Reports all malfunctions of equipment immediately to supervisor.
- Lifts and carries with care.
- Observes restricted areas and all warning signs.
- Knows emergency procedures.
- Reports unsafe conditions to his/her supervisor.
- Promptly reports every accident and incident to his/her supervisor.
- Follows the care prescribed by the attending physician when treated for an injury or illness.
- Attends all employee safety meetings.
- Participates in accident investigations, serves on the safety committee or other loss control activities as needed.

Failure to observe these guidelines may result in disciplinary action, up to and including termination of employment.

K. Performance Reviews

Your supervisor will be observing your effectiveness in performing your work. These reviews are used to provide you with an opportunity to talk about the job and your personal goals. Performance reviews do not necessarily result in merit increases.

A formal evaluation of each employee will be performed on a regular basis. The evaluation will be conducted by your supervisor and will be reviewed with you. Any areas of specific achievement or need for improvement will be noted and discussed with you thoroughly. Where

improvement is needed, you will receive specific instructions as to the problem, methods of improvement, and a time frame during which you will be expected to correct the problem.

L. Pay Transparency

The Company will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the contractor's legal duty to furnish information. 41 CFR 60-1.35(c).

M. Advancement and Promotion

(Company) prefers to promote employees from within the current workforce whenever a vacancy arises. Once an opening is established, you may be advanced to a higher job classification provided you are qualified for such advancement.

In making advancement to better jobs and in filling newly created jobs, the skill, ability, cooperation and initiative of the individual will receive major consideration. The final decision on applicants will be based upon the overall qualification of the applicant and the recommendation of the applicant's department manager.

In certain situations, an opening will occur that requires specialized talent that does not presently exist among the employees. In such cases, it will be to the advantage of all concerned for (Company) to utilize someone from outside the present work force.

N. Layoffs Due to Lack of Work

(Company) attempts to maintain a stable workforce. However, business conditions sometimes change to a point that there is not enough work to keep all employees on the payroll. Should such a situation occur, the work force might be reduced by laying off the number of employees over and above those needed to perform the work available.

Layoffs will be determined by the ability of the affected employees to adequately perform the available work with a minimum amount of retraining. Length of service and attendance or tardiness records will be considered where relative ability is equal.

O. Resignation

If you find it necessary to resign, you are requested to give advance notice in writing to your supervisor indicating the last day you will be working. A two-week notice is appreciated. Resigning without notice will affect future re-hire decisions, if any. Final paychecks for

employees who quit without notice are mailed to the most recent address on file with the personnel office.

VII. Employee Conduct

A. Guidelines for Appropriate Conduct

As an integral member of (Company) team, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of conduct, and exhibit a high degree of integrity at all times. This not only involves sincere respect for the rights and feelings of others, but also demands that you refrain from any behavior that might be harmful to you, your coworkers, or (Company), or that might be viewed unfavorably by current or potential customers or by the public at large.

Your conduct is a reflection of (Company). You are consequently encouraged to observe the highest standards of professionalism at all times.

Types of behavior and conduct that (Company) considers inappropriate include, but are not limited to, the following:

- Falsifying employment or other Company or client company records;
- Violating (Company)'s nondiscrimination and/or sexual harassment policy;
- Soliciting or accepting gratuities from customers or clients;
- Excessive absenteeism or tardiness;
- Excessive, unnecessary, or unauthorized use of Company or client company property and supplies, particularly for personal purposes;
- Reporting to work under the influence of drugs or alcohol, and the illegal manufacture, possession, use, sale, distribution or transportation of drugs;
- Bringing or using alcoholic beverages on (Company) and/or client company property or using alcoholic beverages while engaged in Company and/or client company business off (Company) or client companies' premises, except where authorized;
- Fighting or using obscene, abusive, or threatening language or gestures;
- Theft of property from coworkers, customers, or (Company) and/or client company;
- Unauthorized possession of firearms on (Company) and/or client company premises or while on Company and/or client company business;
- Disregarding safety or security regulations;
- Insubordination; and,
- Failing to maintain the confidentiality of (Company), customer, or client information.

Should your performance, work habits, overall attitude, conduct, or demeanor become unsatisfactory based on violations of the above or of any other Company policies, rules, or regulations, you will be subject to disciplinary action, up to and including termination.

B. Disciplinary Guidelines

It is the policy of (Company) to have an environment where employees receive fair treatment in the form of rewards for positive contributions as well as discipline for inadequate performance and/or unacceptable behavior. (Company) seeks, as its primary objective, to enforce discipline as a corrective measure when practical. However, immediate termination of an employee, without prior warning, may be justified due to the serious nature of particular action. In any event, no policy or disciplinary guideline set forth herein is intended to alter the at-will status of employees.

(Company) may, at its sole discretion, use the following discipline schedule for violations of company policy. In utilizing this schedule, (Company) seeks to apply disciplinary actions proportionate to the employee's infraction and where practical, allow the employee to eliminate the unacceptable behavior, thereby avoiding more serious disciplinary actions. However, (Company) reserves the right to terminate an employee for violating this policy without having previously taken disciplinary action.

The following steps are provided as general guidelines which may be applied to accomplish the objectives of this policy:

Verbal Warning - when a supervisor recognizes performance behavior that is unacceptable, he or she should advise the employee that corrective action is required. Specific corrective measures should be identified by the supervisor and acceptable standards of performance/behavior reiterated to the employee. In most cases notes should be kept in the employee's file of any verbal warnings with specifics on the conversation.

Written Warning - in the event an employee has not corrected unacceptable performance/behavior or where the infraction is of such a serious nature as to warrant immediate written warning, the immediate supervisor may provide the employee with a written warning documented on our Employee Warning Notice form. The written warning will include the specific performance/behavior deficiencies and identify necessary corrective action with an appropriate timetable for accomplishing these actions. **Any form of written warning must be reviewed and approved by the CEO prior to a supervisor delivering to the employee.**

Once the employee has read a written warning, the supervisor should have the employee sign it to acknowledge receipt. The supervisor will send the original copy to the Insuraty Inc. HR Department for inclusion in the employee's personnel file. Should an employee refuse to sign a written warning the supervisor should note this on the document by writing "Employee Refused to Sign". Place the date of the refusal on the document and then sign next to the date.

Probation - probation is intended as a final warning notice to an employee that if immediate corrective action is not taken, the employee will be terminated. This action is documented on our Statement of Reprimand form. Management may place an employee on probation in instances where he/she has failed to correct unacceptable performance/behavior or where the nature of an individual infraction is of such a serious nature as to warrant immediate probationary status. An employee will normally be placed on probationary status for between 30 and 90 calendar days. An employee placed on probation will be given a memorandum from

his/her immediate supervisor specifying the terms and conditions for continued employment. Handling and approvals for this memo follow the procedure for written warnings outlined above.

Termination - an employee may be terminated who has failed to correct unacceptable performance/behavior or who, in management's judgment has committed an infraction of such a serious nature as to warrant immediate termination. An employee terminated under this policy will be informed in writing by HR of the effective date of termination as well as the employee's rights regarding insurance plan continuation. An employee terminated under this policy is not eligible for severance benefits and is not entitled to advance notice.

It would be impractical to attempt to list the various infractions subject to disciplinary procedures. Employees are expected to competently fulfill their job obligations while conducting themselves in a professional businesslike manner, exercising honesty and respect when interacting with others, and while fulfilling their obligations to follow the policies and practices of (Company) and the direction of management.

C. Addressing Grievances

(Company) is available to help you resolve workplace problems. If you have a work related problem, it should first be discussed with your supervisor, if practicable, and then with your HR Team so that it can be resolved quickly. It is helpful if the details of the problem are outlined in writing to the HR Generalist at Insuraty Inc..

Either Insuraty HR or your supervisor will strive to provide a written response to any grievance within seven (7) calendar days, although complex situations may require more time. If you are unsatisfied with the response, you may present the situation to Insuraty HR for review and discussion with (Company) management further consideration.

D. Company Property

(Company) reserves the right, on reasonable suspicion that company policy is being violated, to conduct searches or inspections of employees and their desks, personal effects, lockers, lunch boxes, purses, baggage, and any other property located on Company premises or work-sites, their private vehicles, if parked on Company premises or work-sites, and their quarters, if furnished by (Company). Entry to (Company) premises or work-sites constitutes consent to searches or inspections.

E. Personal Business

(Company) allows time off for the handling of personal affairs. If you need to leave your workstation to conduct personal business, you must first obtain permission from your immediate supervisor. This will allow him to make modifications to the work schedule if necessary and will keep him aware of your activities during the day. You will not be paid for time utilized for personal business.

F. E-Mail and Internet

(Company) computer systems, including the electronic mail (e-mail) system, are the property of (Company), and documents, messages, or other communications are subject to Company monitoring without notice to employees. (Company) reserves the right to access and disclose all messages sent over its electronic mail system for any purpose. Employees should not maintain an expectation of privacy with respect to such message.

In general, employees should use (Company)'s information system for company business only. The email system should not be used to solicit or proselytize others for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations. The electronic mail and other information systems of (Company) are not to be used in a way that may be disruptive, offensive to others, or harmful to morale.

Specifically, (Company) strictly prohibits any display or transmission of sexually explicit images, message, or cartoons, or any transmission or use of e-mail communications that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their race, national origin, sex, age, disability, or religious or political beliefs. Violation of this policy will result in appropriate disciplinary action, up to and including termination.

For privacy reasons, employees should not attempt to gain access to another employee's personal file of e-mail messages without the latter's express permission. However, as noted, employees should be aware that, with respect to (Company), they do not possess any privacy rights in messages sent or received on the electronic mail system.

G. Cell Phones

Cell phone ringers should remain in the "off" position or on "vibrate" while on company premises so as to deter needless distractions to other employees. The policy on Personal Phone Calls should also be noted as personal phone calls regardless of communication mode (company phone, personal cell phone, etc) are to be minimal.

(Company) strictly prohibits the use of cell phones while driving to conduct Company business while on Company time. (Company) will not accept liability for any accident, injury, or other incident as a result of violation of this policy.

Due to security and privacy concerns, any devices that have the ability to photograph, record, or otherwise store an image or sound will not be permitted on the premises. This includes cell phones with photo capabilities, laptop computers, tape recorders, and cameras or other similar devices.

If you store, or have access to, government contracts that are rated secret or above, the government demands that your premises are "secure." The Government will require that you ensure security by whatever means necessary.

There are no exceptions to this policy.

H. Gratuities

It is recognized that gratuities that are business courtesies, such as entertainment, meals, alcoholic beverages, gifts, transportation, lodging, or similar items of nominal value are occasionally appropriate in the ordinary course of commercial business. However, such business courtesies must always be consistent with generally accepted ethical business practices and cannot be offered or given where prohibited by laws, regulations or internal governmental policies.

To this end, no gratuities may be offered to, or accepted from, any person or organization in violation of any law or regulation, or under circumstances that might create the appearance of impropriety or causes embarrassment to (Company) or the recipient. **The offering of gratuities to and acceptance of gratuities from employees or officers of the U.S. Federal Government is expressly prohibited.**

Employees may not accept or retain gratuities offered to them or to their immediate family if doing so: 1) is illegal, 2) would cause the appearance of favoritism in the allocation of corporate business, or 3) would adversely affect the reputation of (Company) or of its employees for impartiality and fair dealing.

Employees who interact with our customers must be familiar with the laws and regulations applicable to the various types (e.g. federal government, commercial, state or local government.) of customers regarding the offer and acceptance of gratuities.

VIII. Other Guidelines

A. Appearance

You create the image many people will have about (Company) or business where you work. Check your appearance before reporting to work. You should utilize good judgment in determining your dress and appearance. A well-groomed appearance and good body hygiene is important and gives confidence to your overall effectiveness.

Your supervisor may establish specific guidelines for your appearance and dress code policy.

Some general guidelines for business attire, business casual and Friday casual are as follows:

BUSINESS ATTIRE

Females

While suits, pantsuits, and business-like dresses are preferred, skirts or slacks with dress tops (such as blouses, sweaters or turtlenecks) and/or jackets are acceptable, as are appropriate accessories. Clothes should be well fitting and not revealing or tight. Fabrics such as fur and are not acceptable, nor are colors that are loud, or materials adorned with sequins, sheer (see-through), or inappropriately patterned. All clothing should be clean, pressed, and in good repair.

Shorts, T-shirts, midriff and tank tops, short skirts (3+” above the knee), jumpsuits, athletic attire, leggings, or any other type of generally recognized casual attire is not permitted. Proper undergarments are required. Formal business attire when meeting with clients and business casual attire when not meeting with clients.

Males

Dress slacks and dress shirts with either short or long sleeves and a tie are preferred. A suit or sport coat is required for special networking functions as required. Fabrics should be conservative in nature. All clothing should be clean, pressed, and in good repair. Shorts, sweat clothes, T-shirts, or any other type of generally recognized casual attire is not permitted. Proper undergarments are required. Formal business attire when meeting with clients and business casual attire when not meeting with clients.

CASUAL BUSINESS ATTIRE

Casual business attire is permitted Monday through Thursday. These days and occasions are subject to change from time to time as necessary.

Females

Appropriate attire includes slacks, khakis, blouses/shirts, fitted sweaters, polo shirts, hosiery/socks, and appropriate shoes. Shorts, athletic attire, T-shirts, tennis shoes, or any other type of generally recognized casual attire is not permitted.

Males

Appropriate attire includes khakis, cords, and shirts with collars, sweaters, sport coats, socks, and appropriate shoes. Shorts, athletic attire, T-shirts, tennis shoes, or any other type of generally recognized casual attire is not permitted.

CASUAL FRIDAY

Males & Females

Jeans in good repair, khaki pants or dress pants/slacks are acceptable. Collarless shirts and shirts with slogans are acceptable as long as the graphics or phrases are not offensive in any way. T-shirts such as Hanes and Jockey, meant to be worn as undergarments are not acceptable.

Unacceptable Attire

Sweatshirts and sweatpants, sneakers/tennis shoes, jogging suits, jeans that are frayed, torn or have holes, tank tops, halter tops, backless dresses, “form fitting” pants, soiled or torn clothing, see-through or mesh style fabric, sunglasses or hats/caps/bandannas.

SHOES AND SOCKS/STOCKINGS

Females

Business Attire

Pumps, sling-backs, professional-style dress shoes or businesslike flats or loafers are preferred. Shoes must be polished and in good repair. Tennis/athletic shoes, clogs, sandals, earth style shoes, casual loafers, and casual wedge style shoes may not be worn. Appropriate socks may be worn. Hosiery should be worn and should be sheer and in conservative, neutral colors that complement the outfit. Tights in solid colors may be worn. No fishnet hosiery.

Casual Business Attire and Casual Friday

Loafers, dress boots, flats and dress sandals are fine choices for casual shoes. Hiking boots, athletic or tennis shoes, leather or canvas sneakers, sport sandals, flip-flops and slippers are not acceptable choices.

Males

Business Attire

Black, brown, or cordovan business shoes with a defined heel are preferred. Shoes must be polished and in good repair. Socks which complement the shoe and outfit and which are conservative in pattern are also required. Tennis and athletic shoes, clogs, sandals, earth and casual wedge style shoes may not be worn.

Casual Business Attire

Rockport's, Hushpuppies, etc., are considered appropriate for work. Hiking boots, athletic or tennis shoes, leather or canvas sneakers, sport sandals, flip-flops and slippers are not acceptable choices.

HAIRSTYLING

Females

Hair must be clean and styled at all times. Hair must not be extreme or unusual in style or color. Hair accessories must be conservative in nature without excessive use of ribbons, beads, wires, barrettes, clips, glitter, etc. If braids are worn, they must be styled conservatively.

Males

Hair must be clean and styled at all times. Hair must not be extreme or unusual in style or color. Mustaches and beards may be worn provided that they are neatly trimmed and well maintained. Sideburns should be neatly trimmed and may extend no lower than the bottom of the earlobe.

Jewelry

Earrings may be clip-on or pierced and worn on the bottom of the earlobe. Overly large hoops, long dangling earrings, or "ear cuffs" may not be worn. Males who choose to wear an earring must confine this to off hours. All other visible body piercings are not permitted.

Tattoos

Decorative tattoos should be concealed whenever possible.

Perfume and Cologne

Perfumes and colognes must be kept to a light and discrete scent. A supervisor may request that a scent be reduced through washing, if in the supervisor's estimation, the scent is too strong.

Exceptions

Any medical or religious exceptions to the grooming standards must be approved by the President.

(Company) reserves the right to determine appropriate discipline in its discretion, and any discipline guidelines set forth herein do not alter an employee's at-will status. Possible discipline for violation of this policy includes:

- First Offense: sent home to change with time missed from work documented as hours not worked, and a verbal warning.
- Second Offense: sent home to change with time missed from work documented as hours not worked, and a written warning.
- Further offenses: termination.

Employees are subject to termination at any time if it is deemed they cannot comply with established dress guidelines.

B. Courtesy

Courtesy and your attitude toward the people you come in contact with will influence the image people have of (Company) where you work, either positively or negatively. Develop an attitude of helpfulness toward your customers, fellow workers, and supervisors. Courtesy is the key to good human relations.

If you would like further training in such areas as how to handle the telephone properly or supervise people in a more constructive manner, please contact **Insuraty HR**. They can research and make several recommendations on several training classes and workshops that you might find helpful.

C. Company Equipment on Loan

You are responsible for safekeeping all company equipment that is issued to you during your employment. Examples include, but are not limited to, cell phones, pagers, laptops, keys and key cards. When your employment terminates, voluntarily or involuntarily, you must return all company equipment loaned to you. (Company) reserves the right to withhold the cost of the items from your final paycheck until such items are returned.

D. Care of Equipment

Any damage or failure of Company-issued equipment is to be reported to your supervisor immediately. Equipment or supplies are not to be removed from your work premises without proper authorization. (Company) is not responsible for loss or damage to your personal

property. Valuable personal items, such as purses and other valuables, should not be left in areas where theft might occur.

E. Health Safety Protection

Periodic X-ray or laboratory tests may be required as a condition of employment in some work locations as prescribed by state law. You will be informed by your supervisor of the required test(s). An employee who exhibits inappropriate behavior, which is suggestive of an abusive drug problem affecting job performance, will be subject to test for illegal drugs or substances of abuse. Any employee safety-sensitive area may be required to undergo substance or abuse or drug testing. If you refuse to submit to such testing, you may be immediately disciplined, up to and including termination.

F. Hazardous Chemicals and Your Right to Know

You must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act of 1970 and regulations which have been added to this act in recent years by both states and federal governments. If you believe that you are being exposed to a known or suspected hazard, when working with toxic chemicals or substances, you have a right to know about such hazards through material safety data sheets (MSDS). Ask your supervisor to review the MSDS with you. If your supervisor does not have this information available, you are to contact Insuraty Inc. immediately.

New employees who work with or who have contact with hazardous chemicals or substances are to consult with their supervisors in the proper handling of such chemicals in the workplace during orientation and new employee training.

G. Phone Calls, Instant Messaging (IM), Personal Mail and Visitors

Business phones are intended for company business. Local personal calls are to be kept to emergencies only. Friends and relatives should be discouraged from calling during working hours unless there is an emergency. Under no circumstance should you make or charge a long distance call unless it is work related and approved by your supervisor.

Good telephone etiquette is important when dealing with the public. Identify yourself and the office where you work in a pleasant and helpful voice. Be courteous and confine the conversations to the subject at hand. The first representation that many people have with an office or business is through the telephone. You are encouraged to cultivate a pleasant voice and cheerful manner.

Instant messaging (IM, text-based chat, etc.), if allowed at all within your worksite, is intended for company business. Incidental, non-business related instant messages should be kept to a minimum. Personal instant messaging (as well as personal phone calls) can be a big distraction if abused and we expect all employees to exercise professionalism in performing their job and to not allow these conveniences to negatively impact workplace productivity.

Do not use company stationary, stamps, postage meters or other company supplies for personal mail. Have all of your personal correspondence sent to your home, unless you have permission from your supervisor.

Personal visits by visitors [individuals not employed by (Company)] to your work area may also be restricted by your supervisor.

H. Social Media

The following policy governs employee use of social media, including any online tools used to share content, profiles, opinion, insights with others such as personal web pages, message boards, networks, communities and social networking websites, including but not limited to Facebook, MySpace, Twitter, and LinkedIn as well as weblogs (“blogs”). The lack of explicit reference to a specific site does not limit the application of this policy.

(Company) respects the rights of all employees to use media of self-expression. However, (Company) also has an interest in protecting its image, goodwill, and reputation in the community. For this reason, (Company) expects employees to conduct themselves in a professional manner and exercise good judgment when using social media, social networking sites and/or blogs.

Therefore, Employees are strictly prohibited from the following:

- Listing their Company e-mail address or company-issued phone numbers unless the social media, social networking site or blog is used solely for Company business and has been authorized by **the Insuraty Inc. Human Resources Department or the President;**
- Using any social media, social networking, blogs or other form of online publishing or discussion activities while on Company time, property or business except if it is being done for company business and with the written permission of the President of (Company);
- Posting any material that is obscene, vulgar, defamatory, threatening, discriminatory, harassing, abusive, or hateful to another person or entity;
- Posting or using a picture or likeness of a manager, supervisor, co-worker, vendor or customer without that individual’s express advance permission; and
- Engaging in activity that reflects or may reflect negatively on (Company), its affiliates, employees, clients, partners, vendors and suppliers, or contains any content prohibited by (Company)’s policies and procedures.

Employees engaging in use of social media, social networking and blogging activities are subject to all of (Company) policies and procedures, including but not limited to (Company)’s policies on (i) protecting the confidentiality of Company information, (ii) safeguarding Company property; (iii) the prohibition against unlawful discrimination and harassment; and (iv) the use of (Company)’s electronic systems.

Employees are expected to remain respectful of (Company), managers, supervisors and co-workers,

(Company)'s products and services, clients, partners, affiliates, vendors, suppliers, and competitors (and their products and services), and shall not post any material that is obscene, vulgar, defamatory, threatening, discriminatory, harassing, abusive, hateful or embarrassing to another person or entity, and shall not engage in activity that reflects or may reflect negatively on (Company), its affiliates, employees, clients, partners, vendors and suppliers, or contains any content prohibited by (Company)'s policies and procedures.

Employees should have no expectation of privacy while using online social media, social networking sites and/or blogs. Employees should expect that any information created, transmitted, downloaded, exchanged or discussed in online media, social networking sites and/or blogs may be accessed by (Company) at any time without prior notice. Employees are personally responsible for the commentary they express and the material they post while engaging in online social networking and blogging activities.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

I. Confidential Information

Information given by a customer, client, or a patient may be privileged or confidential information. Such information is to be maintained with strict confidentiality. This may also be true for proprietary information within (Company). You are encouraged to be careful in discussing with non-company people any engineering, manufacturing, sales or financial information about (Company). You may be required to complete an Invention and Secrecy Agreement and a Conflict of Interest statement at the time of employment.

Any employee who reads an employee's file or who has access to sensitive customer records, and discusses any material with another person, except for assigned duty, may be subject to immediate dismissal. Information about other employees is private.

J. Communicable Disease Reporting

The health, safety, and well-being of (Company)'s employees is of the utmost importance to (Company). Therefore, all employees are required to report any known or suspected communicable disease that they or persons with whom they have come in direct contact immediately to their supervisor as soon as they become aware of the situation. This will enable (Company) to take preventative actions, provide education and proper communication to protect fellow employees from being unnecessarily exposed to infectious conditions and the panic associated with this type of knowledge.

The employee should be prepared to provide the following information to their supervisor:

- The nature of the confirmed suspected disease, infection, or condition;
- The approximate onset of illness in you, or the person with whom you came into contact;
- The location of the outbreak

(Company) will make a determination as to whether the employee should be sent home and how communication should be conveyed to other employees. At no time should the employee share this information with anyone except their supervisor, until such arrangements have been made.

K. Emergency Contacts

In the event of an emergency, (Company) may need to be able to contact family members or a designated emergency contact. It is important that each employee update this information including names, telephone numbers, and addresses. Be sure to review and confirm your personal emergency contact information on an annual basis.

Statement of Handbook Receipt and Understanding

I understand that nothing in this Employee Handbook creates or is intended to create a promise or representation of continued employment and that my employment, position, and compensation at the Company are at-will, and may be changed or terminated at the will of the Company. I understand that I have the right to terminate my employment at any time, with or without cause or notice, and that the Company has a similar right. My signature below certifies that I understand the foregoing agreement that at-will status is the sole and entire agreement between the Company and myself concerning the duration of my employment and the circumstances under which my employment may be terminated. It supersedes all prior agreements, understandings, and representations (whether written or oral) concerning my employment with the Company.

The information contained in the Handbook represents guidelines for (Company) and (Company) reserves the right to modify the Handbook or amend or terminate any policy, procedure, or employee benefit program at any time (except as expressly set forth in the Employee Handbook, the Company's arbitration agreement, and the policy of "at-will employment," all of which may not be changed, altered, revised or modified without a written agreement signed by both myself and the President of the Company).

This Handbook supersedes and revokes all prior versions of the Handbook or any memo, bulletin, policy or procedure, on any subject discussed in this Handbook that has been issued prior to the date occurring below.

My signature below acknowledges that I have read and understand all of the contents in the Employee Handbook, which is effective January 2019.

Signature

Date

Print Name