

## **IMPORTANT NOTICE**

This Handbook applies to all employees employed by **CAP Index, Inc.** (the “Company”). The Table of Contents can be found in an Appendix at the bottom of the document.

**This Handbook is a general guideline voluntarily adopted by the Company for informational purposes only. It is not intended to and does not create an express or implied contract of employment or any other contractual rights, obligations, or liabilities.**

**Because the Handbook is not a contract, it does not contain any promises by the Company and the Company is not contractually or otherwise legally bound by it. More specifically, the Handbook should not be considered as or relied upon by employees as establishing terms and conditions of employment.**

We believe that every employee is an individual and that no general policy can, or should, dictate what must happen in every situation. Therefore, from time to time, situations or problems may arise that, the Company believes, require or deserve special handling, even though a policy stated in this Handbook may indicate a different general rule. Accordingly, just because a particular policy or procedure is generally followed in certain circumstances does not mean that the Company must apply that policy or procedure in every instance.

**We hope that, through the individualization of our relationships, you will find the Company a good place to work. However, because your employment is at-will, you are not guaranteed employment or any particular job or type of work for any specified period of time.**

More specifically, because your employment is at-will, both you and the Company have the right to terminate your employment at any time and for any or no reason and with or without prior notice. While the Company may follow a disciplinary process from time to time, nothing in this Handbook or its application shall restrict the right of the Company to terminate employees at-will.

The Company also retains the unilateral right to change at-will (at any time and for any or no reason and with or without prior notice) an employee’s wages, position, or responsibilities and to discipline, transfer, reassign, and/or demote an employee at-will (at any time and for any or no reason and with or without prior notice.)

Please appreciate also that the Company reserves the right to interpret the policies, rules, benefits, sections, and provisions contained in the Handbook as it deems appropriate in its sole discretion. The Company also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate, or withdraw any or all of the policies, rules, benefits, sections, and provisions of this Handbook at any time and for any or no reason and with or without prior notice.

The policies, rules, and benefit programs described in this Handbook are effective as of the date indicated at the lower right-hand corner of each page. This Handbook, as well as its attachments and all subsequent revisions, supersede and/or replace all policies, rules, and benefit-program descriptions issued previously with regard to the subject matter therein.

No representative of the Company (other than the CEO) has the authority to enter into any agreement for employment for any specified period of time, to guarantee any particular position for any specified period of time, or to make any promises with respect to compensation, promotional opportunities, or any other term or condition of employment.

This Employee Handbook is intended to comply with all applicable federal, state, and local laws. All policies and provisions in this Employee Handbook shall be interpreted and administered in accordance with all applicable federal, state, and local laws. In the event any policy or provision conflicts with any federal, state, or local law, the policy or provision shall be interpreted and administered in accordance with the applicable federal, state, or local law.

On some issues, the laws differ from state to state. In the event a specific policy or provision in this Employee Handbook conflicts with a particular state law, the policy or provision shall be interpreted and administered in accordance with the state law.

You may receive an Addendum to this Employee Handbook, if there are applicable state or law local laws for the state in which you work and are employed that modify the policies herein.

## **WELCOME**

Welcome to CAP Index! We are proud of our Company and its greatest assets – the people who work here. We are pleased that you have joined us and hope you will quickly feel at home, enjoy your work, and find your employment with us both satisfactory and rewarding.

We know you will take pride in being a member of our organization and in your association with the many distinguished professionals who have contributed to our pursuit of excellence. We expect that your skills, enthusiasm, and team effort will make an important contribution to our overall success.

But excellence does not just “happen.” It is a continuous process that must be present in every step necessary toward completion of a job – customer contact, product knowledge, efficient, well-built products, and timely delivery. Because the Company’s goal is not only to maintain but also to exceed continually our present standards of excellence, we encourage you to contribute your thoughts and ideas toward the constant improvement of our products and services.

We value YOU as a member of our organization and expect that your skills, enthusiasm, and team effort will make an important contribution to our overall success. We believe that working together in a spirit of mutual respect and goodwill will make employment with the Company a productive and fulfilling experience for us all! Thank you for joining us!

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Kim Scopinich  
Director of Administration

## **ABOUT THE COMPANY**

### Mission Statement

CAP Index is committed to remaining the foremost provider of accurate and objective crime risk assessment products and services -- to help our clients outsmart crime. We strive for profitable growth by delivering cutting-edge solutions, while maintaining the highest standards of integrity and professionalism.

### CAP Index will:

- Foster an environment that inspires open communication, creativity, dedication, trust, and respect for diversity.
- Insist on intellectual rigor.
- Donate its expertise to help establish best practices for the protection of people and assets.

### **FOR NEW EMPLOYEES**

As a new employee, your first one hundred twenty (120) days of employment is considered to be an **Introductory Period**. During this time, your supervisor will discuss with you our expectations, your responsibilities, as well as the Company's policies and practices.

Before you are considered to have completed the Introductory Period successfully, you must achieve an overall satisfactory rating on the Performance Appraisal that ordinarily will be conducted in the first 120 days of employment. The Introductory Period will be extended by the number of days an employee is absent during his or her Introductory Period.

It is important to remember that an employee is not guaranteed employment for the entire Introductory Period. Equally important, completion of the Introductory Period does not guarantee your employment with the Company for any period of time thereafter.

## **EQUAL EMPLOYMENT OPPORTUNITY**

### **Introduction**

This policy addresses:

1. Non-discrimination
2. Non-harassment
3. Non-retaliation
4. Reasonable accommodations
5. Complaint procedure (and appeals)

### **General Policy on Equal Employment Opportunity**

The Company is committed to ensuring equal employment opportunity. All employment decisions, policies, and practices are in accordance with applicable federal, state, and local anti-discrimination laws.

The Company will not engage in or tolerate unlawful discrimination (including any form of unlawful harassment or retaliation) on account of a person's sex, pregnancy, age, race, color, religion, creed, national origin, ancestry, citizenship, immigrant status, military status, veteran's status, mental or physical disability or handicap, atypical hereditary cellular or blood trait, genetic information, sexual orientation, gender identity or expression, marital status, familial status, domestic partner or civil union status, the use of a guide or support animal, or membership in any other protected group.

For example, and by way of illustration only, the Company will not unlawfully consider an individual's membership in any protected group as defined above with regard to: recruiting, interviewing, hiring, compensation, benefits, training, assignments, evaluations, coaching, promotions, discipline, discharge, and layoffs.

The Company's policy on equal employment opportunity supports and is consistent with the Company's commitment to enhancing diversity and inclusiveness. Diversity means not only membership in the various "protected groups" identified above, but also diversity in experience, perspective, ideas, style, and contacts. We believe that we are much stronger as a Company as a result of the richness of our diversity and strive to ensure that we have policies and practices that are respectful of diversity and promote inclusion.

This entire Equal Employment Opportunity policy applies to all of the Company's officers, managers, supervisors, other employees, and applicants. All such individuals are both protected under and restricted by this entire policy. You are protected in terms of your right to have a working environment free from unlawful discrimination,

harassment and retaliation, and other inappropriate conduct as described in this policy. You are restricted in terms of your being prohibited from engaging in unlawful discrimination, harassment and retaliation, and other inappropriate conduct as described in this policy.

In this policy, we include specific examples of inappropriate conduct. It is not our intent to make anyone uncomfortable. To the contrary, we provide specific examples to help avoid confusion on whether something is appropriate. If you have any question as to whether something may be inappropriate, don't do it.

### **Policy Prohibiting Sexual Harassment**

Sexual harassment is a form of sex discrimination. Consistent with the foregoing, the following behaviors are prohibited, whether by a man or a woman and whether directed at a man or a woman:

- To threaten or insinuate, expressly or implicitly, that any person is required to submit to sexual advances or to provide sexual favors as a condition of employment, continued employment or any term, condition, or benefit of employment, or that a person's refusal to submit to sexual advances or to provide sexual favors will affect adversely the person's employment, continued employment, or any term, condition, or benefit of employment.
- To make any employment decision or take any employment action based on a person's submission to or refusal to submit to sexual advances.
- To engage in unwelcome sexually-oriented or otherwise hostile conduct that has the purpose or effect of interfering unreasonably with another person's work performance or of creating an intimidating, hostile, abusive, or offensive working environment.

The following behaviors and communications are inappropriate, and are prohibited, whether or not illegal:

- Denying an employee any term, condition, or benefit of employment because of an employee's refusal to submit to sexual advances of a supervisor (or someone else);
- Granting an employee any term, condition, or benefit of employment because he or she submits to sexual advances;
- Conditioning any term, condition, or benefit of employment on an employee's submission to sexual advances (even if no adverse employment action);
- Demanding sex or sexual favors;
- Repeated requests for date/sex where the employee asked has said no;

- Providing preferential treatment to someone with whom the employee is having a sexual or romantic relationship;
- Sexually assaulting another individual;
- Engaging in unwelcome and/or inappropriate physical contact, such as patting, pinching, or brushing against another person's body;
- Engaging in sexual bantering, "jokes," and "teasing;"
- Making sexual, suggestive, or biased "jokes"
- Making gender-biased or stereotypic comments or other communications;
- Engaging in sexual flirtations, or making sexual advances or propositions;
- Engaging in verbal abuse of a sexual nature;
- Making verbal commentaries about an individual's body, sexuality, or sexual orientation;
- Making disparaging, stereotyping, or other inappropriate comments about pregnancy;
- Using sexually-degrading language about an individual (verbally or otherwise);
- Engaging in discussions of, or questions and comments about, sexual desires, fantasies, experiences, frustrations, or the like;
- Transmitting, showing, or describing pornographic or obscene materials, or other similar communications of any kind;
- Transmitting, showing, or describing sexually-explicit or sexually-suggestive objects, cartoons, software, photos, pictures, drawings, or other communications;
- Making sexually-oriented or degrading gestures;
- Engaging in verbal or non-verbal innuendo of a sexual, suggestive, or biased nature;
- Engaging in other non-verbal communications of a sexual or suggestive nature, such as leering or gawking;
- Using obscene, off-color, or otherwise hostile language of a sexual, suggestive, or biased nature;



- Referring to employees of either gender in pejorative, negative, or demeaning terms;
- Engaging in any other behavior of a hostile or abusive nature directed at one sex, even if not sexual in nature; and/or
- Engaging in any other inappropriate behavior of the kind, or similar to that, referred to here or elsewhere in this policy.

### **Harassment on Account of or with Regard to Any Protected Group**

Harassment based on an individual's membership in any protected group (for example, race, age, national origin, ancestry, or disability) is equally prohibited and will not be tolerated.

The following behaviors, communications, etc. are inappropriate, and as such, prohibited, regardless of whether they are illegal:

- Derogatory comments about an individual's membership in any protected group, for example, the "old guy" or "the mommies;"
- Displays of cartoons, calendars, computer software, pictures, etc. that are degrading to or reflect negatively upon any protected group;
- "Jokes," comments, or stories that have the purpose or effect of stereotyping, demeaning, or making fun of any protected group, for example, Pope "jokes" or pregnancy "jokes;"
- Slurs to describe any protected group, for example, the "N" word or the "C" word;
- Nicknames relating to a person's membership in any protected group, for example, "R" head for a person from the Middle East;
- Verbal or non-verbal innuendo that relates to or reflects negatively upon any protected group, for example, mimicking a disabled employee's walk or a foreign national's accent;
- Hate symbols or other symbols that suggest the inferiority of any group, for example, a noose or a swastika;
- Racist, sexist, or other hate-based graffiti;
- Inappropriate questions or comments about attire associated with an individual's religion or ethnicity;
- Inappropriate questions or comments about an employee's sexual orientation or gender identity;

- Hostile, abusive, or demeaning behavior, including threats, directed at an employee because of his or her membership in any protected group, even if not racial, ethnic, religious, etc. in nature;
- Stereotypic or biased comments or slurs about any protected group, for example, “They are...” (they refers as a protected group, such as Latinos);
- Comments that suggest an employee does not conform with stereotypes, such as “You don’t act gay....”; and/or
- Any other inappropriate behavior of the kind or similar to that referred to here or elsewhere in this policy.

### **All Kinds of Harassing Behaviors**

It is important to keep in mind that these are only some examples of inappropriate behavior. If you have any question about whether behavior is inappropriate, don’t do it.

It is also important to remember that these prohibitions apply not only to oral and written communications, but also to e-mail, voicemail, Internet communications and searches, and other technology-assisted communications.

The prohibitions also may extend to postings on personal blogs and other forms of social networking if seen by or containing messages about your colleagues or others with whom you work or to whom you provide services.

The prohibitions on inappropriate behavior set forth above apply not only in the workplace itself but also to all other work-related settings, such as offsite meetings, as well as business trips and business-related social functions.

It is of no defense to inappropriate behavior that there was no bad intent, that it was only a “joke,” or that it was not directed at any particular person.

It is also of no defense that the individual engaging in the inappropriate conduct is a stellar performer or revenue generator.

It is of no defense to unacceptable conduct that the conduct is “welcome” or otherwise okay to the party or parties engaging in it.

### **Reasonable Accommodations**

If you believe you need an accommodation for any of the reasons set forth above, please contact the CEO or Director of Administration.

When qualified individuals with physical or mental disabilities (including disabilities caused by, exacerbated by, or related to pregnancy or childbirth, including recovery from childbirth) or handicaps notify the Company of such disabilities or handicaps and request reasonable accommodations (such as a leave of absence) for such disabilities

or handicaps, the Company will make reasonable accommodations on behalf of such individuals.

Similarly, when individuals notify the Company of pregnancy (including pregnancy, childbirth, or medical conditions related to pregnancy or childbirth, including recovery from childbirth) and request reasonable accommodations relating to the same, the Company will make reasonable accommodations on behalf of such individuals, regardless of whether they are disabled. Finally, when individuals notify the Company of sincerely-held religious observances, practices, and beliefs and request reasonable accommodations relating to the same, the Company will make reasonable accommodations on behalf of such individuals.

Under each set of circumstances above, the Company will consider making reasonable accommodations where the Company is aware of the need for such accommodations. An individual does not have to use the words “reasonable accommodation” or “disability,” for example, in order to make a request. Upon receiving a request for a reasonable accommodation, the Company will comply with its legal obligation to engage in an interactive process to make an individualized determination of whether a reasonable accommodation can be provided.

Under each of the circumstances above, no accommodation will be made if it imposes an undue hardship on the Company.

The Company will treat a medical condition or complication that is caused or exacerbated by pregnancy no differently from other medical conditions for the purpose of determining whether an individual is disabled, engaging in the interactive process, and evaluating whether an individual is entitled to a reasonable accommodation (e.g., leave of absence and/or time off).

If you are not satisfied with any accommodation offered by the Company, or with the Company’s denial of your request for a reasonable accommodation, you may appeal such decision by using the appeals procedure below.

If you are an officer, manager, or supervisor and anyone requests an accommodation of you, you must report this by informing the CEO or the Director of Administration. You may neither keep the request confidential nor resolve the request on your own.

### **Policy Prohibiting Retaliation**

The Company will neither engage in nor tolerate unlawful retaliation of any kind by anyone against any person who raises a complaint about unlawful discrimination, harassment, or retaliation, serves as a witness or otherwise participates in the investigatory process. The Company also will neither engage in nor tolerate unlawful retaliation of any kind by anyone against a person who is associated with any person who raises such a complaint. The Company also will neither engage in nor tolerate unlawful retaliation of any kind by anyone against any person who requests or receives an accommodation as set forth above.

Prohibited unlawful retaliation includes adverse tangible employment actions, such as denial of a raise or promotion. It also may include, in some circumstances, other material changes in the terms and conditions of employment, such as work assignments. Prohibited unlawful retaliation also may include adverse actions independent of the workplace, such as trying to exclude an employee from membership in an outside professional organization because of a complaint he or she raised at work.

It is no defense to retaliation by any person (officer, manager, supervisor, etc.) that the complaint raised did not have legal merit.

### **Discrimination, Retaliation, and Harassment and Other Unacceptable Conduct by Non-Employees**

The prohibitions against unlawful discrimination, retaliation, and harassment and other inappropriate conduct prohibited by this policy apply not only to the conduct of employees of our Company but also to the conduct of non-employees (for example, customers, vendors, suppliers, and contractors) with whom our employees come into contact in the course of their employment with our Company. Consequently, if you feel discriminated or retaliated against or harassed (sexually or otherwise) or subject to inappropriate conduct prohibited by this policy by a non-employee in the course of your employment with the Company, you should use the procedure set forth below. Conversely, the prohibitions against unlawful discrimination, harassment, and retaliation and other inappropriate conduct set forth in this policy apply to your conduct relative to non-employees with whom you come into contact in the course of your employment with the Company.

### **What to Do If You Feel You Have Been Subjected to – or Witnessed – Unlawful Discrimination, Harassment, Retaliation, or other Inappropriate Conduct or Denied an Accommodation**

If you believe that you may have been--or anyone else may have been--unlawfully discriminated against, harassed by or retaliated against, or subject to any inappropriate conduct prohibited by this Equal Employment Opportunity Policy (even if not unlawful), by any officer, manager, supervisor, co-worker, agent, or non-employee in violation of this policy, you should report your complaints immediately to the CEO or the Director of Administration. You also should consult with any of the foregoing individuals if you believe that a reasonable accommodation that you requested was not made but should have been made. In all cases, please speak with whichever person you feel the most comfortable, whatever your reasons.

Similarly, if you have any question as to whether certain conduct is unlawful discrimination, retaliation or harassment, or other inappropriate conduct prohibited by this policy, or whether an accommodation may be needed or possible, you are encouraged to speak with any of the individuals identified above.

In all cases, your complaints will be investigated promptly, thoroughly, and impartially. Further, the existence and nature of your complaints, as well as the identity of any

complainant, witness, or accused, will be disclosed only to the extent necessary to make a prompt, impartial, and thorough investigation or as may be necessary to take appropriate corrective measures.

The Company will neither engage in nor tolerate any form of unlawful retaliation set forth as above. Prohibited unlawful retaliation includes adverse tangible employment actions, such as denial of a raise or promotion. It also may include, in some circumstances, other material changes in the terms and conditions of employment, such as work assignments. Prohibited unlawful retaliation also may include adverse actions independent of the workplace, such as trying to exclude an employee from membership in an outside professional organization because of a complaint he or she raised at work.

If you are an officer, manager, or supervisor and anyone complains to you that he or she believes that he or she or anyone else may have seen subject to unlawful discrimination, harassment, or retaliation (or other inappropriate conduct of the nature described in this policy) or that he or she needs an accommodation or an accommodation requested has not been made, you must report this immediately by contacting the CEO or Director of Administration. You may neither keep the complaint confidential nor investigate the complaint on your own.

### **“Appeal” Procedure**

If you are not entirely satisfied with how your complaint has been handled, for whatever reason, you may address your complaint to the CEO or Director of Administration. Your “appeal” should be in writing to help ensure that the CEO or Director of Administration is clear that you wish to “appeal.” While we encourage you to be detailed, it is sufficient to say, “I wish to appeal my complaint.”

### **Sanctions for Violations of The Company’s Equal Employment Opportunity Policy**

Any officer, manager, supervisor, other employee, agent, or non-employee who, after appropriate investigation, has been found to have engaged in unlawful discrimination, harassment, or retaliation and/or inappropriate behavior inconsistent with this policy (even if not unlawful) will be subject to appropriate (immediate and proportionate) corrective action, up to and including termination of his or her employment or other relationship with our Company.

On the one hand, conduct does not need to violate the law to violate this policy. On the other hand, not every behavior that may be considered offensive to someone violates this policy.

Exempt and non-exempt employees who violate this policy also may be suspended without pay. Exempt employees will be suspended without pay in full day increments only.

## **POLICY RESTRICTING WORKPLACE ROMANCE**

To ensure an environment appropriate for effective business operations and to avoid actual, potential, or perceived favoritism, the Company has a policy that prevents individuals from directly or indirectly supervising or having institutional authority over someone with whom they are having an “intimate relationship.”

The term intimate relationship, for purposes of this Policy, includes any romantic and/or sexual relationship. The term includes romantic and/or sexual relationships, regardless of marital status, domestic partner status, or civil union status. Intimate relationships do not include purely platonic social friendships.

An officer, manager, or supervisor must contact the CEO or Director of Administration immediately if he or she currently is having an intimate relationship in violation of this Policy.

If an officer, manager, or supervisor wishes to establish an intimate relationship with someone whom he or she directly or indirectly supervises or over whom he or she has direct or indirect institutional authority, the officer, manager, or supervisor must notify the CEO or Director of Administration before commencing, or seeking to commence, the intimate relationship. An officer, manager, or supervisor will be subject to immediate discharge if he or she fails to notify the CEO or Director of Administration as required by this Policy.

Where an intimate relationship exists or develops in violation of this Policy, the Company will make reasonable efforts to transfer one of the two employees, subject to existing business and other appropriate considerations. Where the Company concludes that a transfer of one of the employees is not practical for business or other reasons, the employees will be offered the opportunity for one of them to discontinue his or her employment voluntarily. However, the Company retains the right to make the final decision as to which employee’s employment shall terminate.

With regard to intimate relationships that are not prohibited by this policy, the following guidelines apply:

If you ask an employee or non-employee with whom you come into contact in the course of your employment for a date and the person says “no,” you cannot ask him or her again. Nor can you retaliate against him or her in any way. If you ask again or retaliate in any way, you will be subject to severe disciplinary action, up to and including the termination of your employment.

Conversely, if an employee or non-employee with whom you come into contact in the course of your employment asks you out on a date, while you have a right to say “yes,” you also have an absolute right to say “no.” Consequently, if you feel any unwelcome pressure to become involved with any officer, manager, supervisor, employee, or non-employee with whom you come into contact in the course of your employment with the Company, we urge you to use the complaint procedure set forth

below. If you let us know there's a problem, we can help! In the absence of a complaint pursuant to the procedure that follows the Company will assume that any relationship is entirely consensual and welcome.

Finally, there may be times when an intimate relationship exists that does not violate this policy but involves a situation where one employee may make discretionary decisions that could affect the other employee. In these circumstances, the person with the decision-making authority must check with the CEO or Director of Administration before making any discretionary decisions specific to the other employee. If you have any doubt about whether you need to consult with the CEO or Director of Administration, play it safe and consult.

**Complaint Procedure.** Follow these steps if a complaint is to be filed. You should report your complaints immediately to the CEO or the Director of Administration. You also should consult with any of the foregoing individuals if you believe that a reasonable accommodation that you requested was not made but should have been made. In all cases, please speak with whichever person you feel the most comfortable, whatever your reasons.

## **ABOUT YOUR JOB**

### **Code of Conduct**

When accepting employment, each employee acknowledges a personal responsibility for ensuring that his or her workplace conduct, attendance, and job performance meet the expectations of the Company.

While these expectations are set forth in greater detail throughout this Employee Handbook and will be communicated to employees further in the course of their employment with our Company, both formally and informally, in general, employees are expected to:

1. Conduct all activities ethically and honestly.
2. Approach job responsibilities with professionalism.
3. Work in a cooperative manner with supervisors, co-workers, and non-employees with whom you come into contact in the course of your employment.
4. Refrain from engaging in unlawful discrimination, harassment, retaliation, or other unacceptable conduct (even if not unlawful) in violation of the Company's Equal Employment Opportunity Policy.
5. Refrain from engaging in violent, hostile, abusive, intimidating, or threatening behavior (whether or not the behavior is unlawful).
6. Report to work physically and mentally fit for duty (that is, free from the influence of either drugs or alcohol).
7. Report to work promptly and regularly, in the office or remotely as permitted.
8. Provide appropriate notice of an unavoidable absence or lateness.
9. Perform your job responsibilities efficiently, thoroughly, and properly, seeking continually to improve quality.
10. Remain actively engaged in the performance of your job responsibilities, when working.
11. Perform job responsibilities prudently and carefully, observing all health, safety, and security rules at all times.
12. Protect the Company's confidential business and proprietary information.



13. Safeguard the property of the Company and its employees, customers, and other third parties with whom it does business.
14. Report accidents, injuries, fire, death, or other unusual incidents immediately after the discovery.
15. Abide by the Company policies, rules, and procedures as well as specific instructions of your supervisor.
16. Refrain from improperly using the Company property, services, or supplies for personal reasons.
17. Provide complete and honest information in connection with all business records, such as pay, time, business, expense, and employment records.
18. Ensure that personal appearance, oral communication, and conduct are consistent with high standards of professionalism.
19. Comply with all compliance, certification, and licensure policies, procedures, and guidelines.
20. Comply with all federal, state, and local laws as well as accrediting, licensing, and regulatory authorities. Although your employment with the Company is **at-will** (i.e., either party can terminate the employment relationship at any time with or without cause and with or without prior notice), your failure to meet these expectations may result in Corrective Counseling, the goal of which is to preserve your employment by turning around unsatisfactory job performance and/or unacceptable conduct. A discussion of Corrective Counseling begins on Page 64.

### **Dress Code**

CAP Index, Inc.'s day-to-day dress code in the office is business casual. While attending trade shows, meetings, and client events the dress code is business attire.

Examples of inappropriate clothing include:

- Sweat suits, sweat pants, or sweat shirts.
- T-shirts and partial shirts.
- Resort or beach wear.
- Unclean, torn, or ragged clothes.
- Clothing that is sexually suggestive or provocative.

- Clothing that contains messages relating to drugs, alcohol, sex, or violence.
- Clothing that includes content inconsistent with our Equal Employment Opportunity Policy.

### **Confidentiality**

In the course of performing your duties on behalf of the Company, you may, from time to time, be placed in a position of trust and confidence in which you receive or contribute to the creation of confidential and/or proprietary information relative to the operations of the Company. This **confidential and/or proprietary information** includes, but is not limited to, to the extent not generally known by or readily accessible to the public:

- Trade secrets;
- Business, marketing, legal, and accounting methods, policies, plans, procedures, strategies, and techniques;
- Information concerning the Company's earnings, production volumes, and methods for doing business;
- Research-and-development projects, plans, and results;
- Technical information relating to the Company's business or any customer of the Company;
- The names, addresses, and telephone numbers of the Company's vendors, contractors, and suppliers;
- Customer lists and the names, addresses, and telephone numbers of the Company's current, former, and prospective customers;
- Pricing, credit, and other financial information;
- Confidential information provided by or about a customer; and
- Any and all other confidential or trade secret information that is not known generally by or readily accessible to the public.

[This does not apply to your wages or other terms and conditions of employment.]

During your employment:

- You must protect this confidential and/or proprietary information and use and/or disclose such information only as necessary to further the Company's business interests;
- You may not use or disclose such confidential and/or proprietary information for personal gain or for any purpose that does not further and/or that is inconsistent with the business interests of the Company; and
- You may not use or disclose confidential and/or proprietary information that you acquired in the course of your employment with a prior employer.

In particular, and by way of example only, during your employment:

- You should designate/mark as "confidential" any documents, records, etc. that contain confidential and/or proprietary information in accordance with instructions given to you by your supervisor;
- You should secure (in order to limit access to) confidential and/or proprietary information in accordance with instructions given to you by your supervisor;
- You should disclose confidential and/or proprietary information internally only to those who have a "need to know" in the course of performing their jobs for the Company;
- You should not discuss confidential and/or proprietary information in public areas where your discussion may be overheard;
- You should disclose confidential and/or proprietary information to non-employees only with the approval of and in accordance with guidelines given to you by your supervisor. In some cases, the non-employee may be required to execute a non-disclosure agreement; and
- You cannot take pictures, videos, or other images of confidential business information by way of your cell phone or other device. You cannot record conversations that include discussions of confidential business information by way of your cell phone or other device.

Upon your separation from the Company, regardless of the reason and whether initiated by the Company or you:

- You must return to the Company, retaining no copies, any and all files, records, correspondence, documents, computer compact discs, computer and electronic-mail printouts, specifications, writings, and similar items, that relate to or reflect the Company's business operations, customers,

prospective customers, employees, suppliers, vendors, etc., regardless of where such items were kept or prepared; and

- You may not use and/or disclose the Company's confidential and/or proprietary information at any time, at any place, for any reason.

You may retain personal documents that relate to your personal taxes, benefits, and the like.

An employee who violates this Confidentiality Policy will be subject to appropriate disciplinary action, up to and including immediate discharge.

Further, nothing in this Confidentiality Policy is intended to or shall be interpreted to prohibit disclosure of information to the limited extent permitted by and in accordance with the federal Defend Trade Secrets Act of 2016 ("DTSA"). The DTSA provides that: "(1) An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that – (A) is made – (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal." The DTSA further provides that: "(2) An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual – (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order."

Nothing in this Handbook is intended to or shall be interpreted: (i) to restrict or otherwise interfere with an employee's obligation to testify truthfully in any forum; (ii) to restrict or otherwise interfere with an employee's right and/or obligation to contact, cooperate with, provide information to – or testify or otherwise participate in any action, investigation, or proceeding of – any government agency or commission (including, but not limited, to the EEOC); or (iii) to disclose any information or produce any documents as is required by law or legal process.

Further, and to be more specific, nothing in this Handbook is intended to prohibit an employee from reporting possible violations of federal, state, or local law, ordinance, or regulation to any governmental agency or entity, including, but not limited to, the Department of Justice, the Equal Employment Opportunity Commission, the Congress, and any agency Inspector General, or otherwise taking action or making disclosures that are protected under the whistleblower provisions of any federal, state, or local law, ordinance, or regulation. An employee is entitled to make reports and disclosures or otherwise take action under this provision without the prior authorization from or subsequent notification to the Company and may do so with the express understanding that the Company shall not engage in or tolerate retaliation of any kind. An employee is entitled to make reports and disclosures or otherwise take action under this Policy without fear of retaliation of any kind.

The Company will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the Company, or (c) consistent with the Company's legal duty to furnish information.

Exempt and non-exempt employees who violate this Policy also may be suspended without pay. Exempt employees will be suspended without pay in full day increments only.

### **Intellectual Property**

All works of authorship, inventions, and other intellectual property created by an employee within the scope of his/her employment shall be owned exclusively by the Company, including all intellectual property rights therein. Employee assigns and transfers such rights to the Company to the extent such rights do not automatically vest in the Company under applicable law. Employee also may be asked from time to time to sign additional documents or provide reasonable cooperation in connection with this policy and the Company's efforts to protect its intellectual property.

Further, employees shall respect all copyright and other intellectual property laws. For the Company's protection as well as your own, it is critical that you show proper respect for the laws governing copyright, fair use of copyrighted materials owned by others, trademarks, and other intellectual property, including the Company's own copyrights, trademarks, and brands.

### **Conflicts Of Interest**

It is important that we avoid actual and potential conflicts of interest as well as even the appearance of a conflict of interest. What does this mean?

More specifically, and by way of example only, you may not, directly or indirectly, during your employment with us:

1. Work for, be associated with, provide any services or materials to, or receive any compensation from any competitor of the Company.

2. Have any financial interest in, or lend money to or borrow money from, any customer, potential customer, competitor, supplier, or vendor of the Company.<sup>1</sup>
3. Work for, be associated with, or provide any services or materials to any customer, potential customer, supplier, or vendor of the Company, other than on behalf of the Company in the course of your employment with the Company.
4. Solicit any gifts, money, services, or anything else of value from any competitor, customer, potential customer, supplier, or vendor of the Company.
5. Accept any gifts, money, services, or anything else of value from any competitor. You may accept gifts (but never money) from customers, potential customers, suppliers, or vendors of the Company, but only if immediately reported to and approved by the CEO. The duty to report does not apply to gifts that have a value of less than \$75.<sup>2</sup>
6. Give or promise to give any gifts, gratuities, or other similar items of value to influence customers, potential customers, vendors, or suppliers. Gifts are permitted only if approved in advance by the CEO.
7. Give or promise to give any gifts, gratuities, or other similar items of value to a governmental official or employee.
8. Engage in any other outside employment, independent consulting, or volunteer activity that may interfere or conflict with your duties and responsibilities to our Company, regardless of its nature.
9. Use the Company name for any outside activities, such as athletic teams or charitable efforts, unless you make clear the Company is not officially sponsoring the activity.
10. Serve as an officer or director of another organization, unless it is a social, professional, religious, educational, civic, or charitable organization, without approval in advance by the CEO.

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<sup>1</sup> This provision does not preclude an employee from owning less than 10 percent of the stock of a publicly-traded company.

<sup>2</sup> This provision does not preclude an employee from accepting meals, refreshments, entertainment, or the like provided in the normal course of business meetings and other business-related events, provided that the value of the meals, refreshments, entertainment, or the like does not exceed what the Company would pay for as a reasonable business expense. Similarly, this Policy does not prohibit acceptance of unsolicited advertising or promotional materials of a nominal value, such as calendars, pens, mugs, and key chains.

Under certain narrow circumstances, exceptions to prohibitions 2, 3, 5, 6, 9, and 10 (but never 1, 4, 7 or 8), may be permitted, but only if disclosed to and approved in advance in writing by the CEO.

While this Policy does not preclude employees from socializing with customers, competitors, suppliers, and vendors, employees must not violate any of the preceding prohibitions in connection with such socializing. Employees also must be careful to avoid the appearance of a conflict of interest.

If you have any question as to whether an outside employment or any other activity may create an actual, potential, or apparent (perceived) conflict of interest and/or interfere with your responsibilities to our Company, you are encouraged to check with the CEO. By checking first, you protect not only the Company, but also yourself.

See the Company's Code of Conduct for additional guidance on prohibited activities.

Violations of this Policy are cause for immediate discharge.

### **The Foreign Corrupt Practices Act (FCPA)**

The FCPA is a US law that prohibits bribes to officials of non-US governments and regulates US companies doing business abroad. The FCPA makes it illegal for employees of US companies to give directly or indirectly anything of value to a non-US government official, candidate for public office, political party, or party official in order to gain an improper business advantage. The FCPA also requires the Company to keep accurate records and maintain an adequate system of internal accounting controls. Without prior written permission from the Company's CEO, you may not give, directly or indirectly, anything of value in any way that is or reasonably could be seen as connected with the Company to a non-US government official, candidate for public office, political party, or party official, even if you do not intend it as a bribe. The requirement of written prior permission covers situations that may not be covered by the FCPA but is designed to ensure compliance with the FCPA.

### **Conduct**

All employees are expected to comply with the Company's Code of Conduct. It can be found on Page 16.

### **Policy on Reporting Suspected Illegal or Unethical Behavior**

We expect all of our employees and business partners to conduct themselves lawfully and ethically when representing the Company or doing any work on behalf of the Company. This includes, but is not limited to, complying with all statutes, rules, and regulations. The Company will neither engage in nor tolerate unlawful or unethical behavior with regard to any of its policies, practices, or operations.

If you believe that any employee of the Company, or any other individual or entity performing work for the Company, has engaged in illegal or unethical conduct of any kind, contact immediately any one of the following individuals at the following telephone numbers or e-mail addresses:

**Steven K. Aurand, [SAurand@capindex.com](mailto:SAurand@capindex.com), 610.903.3000**

**Kim Scopinich, [KScopinich@capindex.com](mailto:KScopinich@capindex.com), 610.903.3001**

The Company will:

- Conduct a prompt and fair investigation;
- Disclose allegations only to the extent necessary to conduct the investigation/take corrective action (keeping the allegations as confidential as possible);
- Take corrective action with respect to any employee or non-employee who has engaged in illegal, unethical, and/or inappropriate behavior, including discipline up to and including termination of the employment or other relationship; and
- Not tolerate any unlawful retaliation of any kind by anyone against anyone who makes a complaint, serves as a witness, or otherwise participates in the investigation. The Company also will not engage in or tolerate retaliation against someone associated with the Complainant.

If you are not entirely satisfied with how your report has been handled, please contact Steven K. Aurand so that he can look into your concerns immediately ([SAurand@capindex.com](mailto:SAurand@capindex.com) or 610.903.3000). Your appeal should be in writing to help ensure that it is clear that you wish to appeal. While we encourage you to be detailed, it is sufficient to say “I wish to appeal my complaint of suspected illegal/unethical behavior.”

If you are an officer, manager, or supervisor and anyone raises with you concerns about suspected illegal or unethical behavior you must report this to the CEO. You may neither keep the concern confidential nor resolve the concern on your own. If you are not sure whether you have a duty to report, play it safe and report.

### **Investigations**

Employees are expected to cooperate fully and honestly in any investigations conducted by the Company of alleged unlawful, unethical, unsafe, or improper behavior. Failure to cooperate may be cause for disciplinary action up to and including discharge. Any employee who knowingly and in bad faith provides false, incomplete, or misleading information as part of a complaint or investigation (whether such employee is the complainant, the accused, or a witness) will be subject to disciplinary action up to and including discharge.



## **Outside Employment**

As set forth in our Policy on Conflicts of Interest, an employee cannot engage in any outside employment (or other activity) that may interfere or conflict with his or her ability to complete his or her duties and responsibilities to our Company. For example, an employee may not refuse to work overtime because he or she has another job.

In no case may an employee work for a competitor of the Company while employed by the Company without obtaining prior approval from the CEO.

Violations of this Policy are cause for immediate discharge.

## **Employment Of Relatives**

To prevent actual, potential, and perceived conflicts of interest, the Company has a policy that restricts the employment of “Relatives.” For purposes of this policy, a “Relative” is defined as a parent, parent-in-law, child, child-in-law, sibling, spouse, ex-spouse, grandparent, grandchild, or anyone else who resides in the same home as the employee (including, but not limited to, a domestic partner).

No employee may work in a position that involves a direct supervisory relationship with a Relative. Further, no employee may work in a position in which he or she has the authority to influence, directly or indirectly, any term or condition of employment of the Relative.

An applicant will not be hired for a position that would conflict with the restrictions set forth in this Policy. If an employment relationship prohibited by this Policy were to develop between existing employees due to marriage, change in responsibilities, promotion, or for any other reason, the Company and the employees involved will have three (3) months to resolve the situation.

This Policy does not apply to working relationships in effect on or before December 31, 2021, unless conflicts exist.

## **Attendance**

Regular attendance is essential to your job. Unless prevented by emergency or other unusual circumstances, you must provide 24 hours’ notice to your supervisor/manager before you are scheduled to work if you are going to:

1. Be absent
2. Arrive/start late
3. Leave before the end of your shift/work day

In the event of an emergency or other unusual circumstances, you must provide as much advance notice as you reasonably can.

You do not have to call in each day if you have applied for or are on an approved leave of absence. However, if you are on approved intermittent leave of absence under the Americans with Disability Act (ADA), you must call in each day of your absence in accordance with the time frame noted above and state expressly that the absence is due to your disability. If for emergency or other unusual circumstances you cannot provide the required 24 hours' advance notice, you must provide as much notice as you reasonably can.

Failure to provide the required notice is cause for disciplinary action, up to and including discharge.

An employee is also subject to disciplinary action, up to and including discharge, for excessive absenteeism, late arrivals, and/or early departures (even with proper notice).

In assessing disciplinary action, the Company does not consider as unexcused absences, late arrivals or early departures that are covered by the ADA, or other laws, including state leave laws. However, even if an absence, late arrival, or early departure is covered by the ADA, or another law, include a state leave law, the employee may be subject to disciplinary action for not complying with the call-in procedure set forth above.

### **Personnel Records and Changes in Personal Information**

Your Personnel Record contains information relative to your employment with the Company, such as changes in earnings and job positions, your participation in job-related training, and written appraisals of your job performance.

Because it is essential that the information contained within your Personnel Record be kept up to date, you are required to notify, in writing, the Operations Department when any of the following events occurs:

- Change in your legal name
- Change of address or telephone number
- Change in your social security number
- Change in your marital status/dependents (only if relevant to your participation in the Company-sponsored insurance benefits)
- Change in the number of exemptions claimed for income-tax withholding purposes
- Change of designated individual to be notified in case of emergency

Upon request, you may be eligible to inspect certain contents in your Personnel Record. If you wish to make such an inspection, you must make a written request

addressed to the Director of Administration. At that time, you will be informed of the procedure and conditions governing Personnel Record inspections.

### **Performance Appraisals And Adjustments In Pay**

Performance Appraisals are formal, written evaluations of your job performance prepared by your immediate supervisor and discussed with you at established intervals. The objectives of the Company's Performance Appraisal Program are to:

- maintain or improve your job satisfaction by providing you an opportunity to discuss with your supervisor your job/career interests and any work-related problems you may be experiencing;
- acknowledge where you are meeting or exceeding expectations;
- identify areas of substandard performance and/or conduct on your part so that you have an opportunity to improve your performance and/or conduct; and
- provide our Company with factual information upon which employment decisions may be made.

Your first Performance Appraisal usually will be prepared during the first 120-day Introductory Period and thereafter in accordance with the Companywide Appraisal Schedule. Your participation and feedback during the Performance Appraisal interview is critical both to your success and to the success of our Company.

### **Tuition Reimbursement Program**

The Company encourages your professional development through the Tuition Reimbursement Program. This Program covers all courses offered by accredited colleges and universities and skill-enrichment courses offered at other accredited training institutions, provided the course/training taken is related directly to your current job responsibilities.

As a Regular Full-Time employee, you may be eligible for financial assistance from the Company for tuition payments associated with such job-related education/training. To qualify for reimbursement for tuition paid, employees must complete an Educational Expense Report one (1) month prior to the start of any of the following:

- Courses offered by accredited colleges and universities
- Courses/seminars offered by accredited training institutes.

To be valid, your Request must be approved, in writing, by your Department Manager prior to the commencement of the course.

Upon presentation of an official grade report and a receipt from the sponsoring institution for tuition paid (canceled checks alone are not sufficient proof of payment), you will receive reimbursement for previously-approved tuition expenses associated with the course in accordance with the following schedule, subject to the maximum noted below:

<u>Grade Received</u>	<u>Amount of Educational Support</u>
"A" or "B"	100% of Tuition Cost
"Pass/Fail"	100% of Tuition Cost, if passed

You will receive no reimbursement for courses not completed, courses dropped, or courses for which you received a grade lower than "B" or its equivalent. No reimbursement will be paid if your employment terminates prior to your completion of the course, regardless of whether your employment is terminated by you or the Company.

If you receive any outside financial aid (e.g., Veterans' Benefits, scholarships, assistantships, grants), your reimbursement from the Company will be no more than the difference between the full cost of tuition and the amount of outside financial assistance you have received.<sup>3</sup> Requests for reimbursement for courses/seminars from an accredited training institution will be paid directly by the Company to the institution.

Nothing in this policy changes the at-will relationship between the parties. Either you or the Company may terminate the employment relationship at any time, for any or no reason, with or without prior notice. However, if you voluntarily resign your employment within 1 year of your receipt of Tuition Reimbursement pursuant to this policy, you may be required to repay some or all of the Tuition Reimbursement in accordance with the Tuition Reimbursement Agreement you will be required to sign as a condition of being eligible for any tuition reimbursement. Example: If the employee receives reimbursement in June, then decides to terminate in November, he or she will owe the Company seven months of the \$2,500.00 reimbursement. The employee will have worked five (5) months since June by the time he or she terminates in November, leaving seven (7) months to be reimbursed. Twelve (12) months divided by \$2,500.00 = \$208.33 times seven months = \$1,458.33 owed to the Company.

### **Solicitation and Distribution of Literature**

The Company recognizes that employees may have causes and/or interests on behalf of which they may wish to solicit and/or distribute literature. At the same time, solicitation and distribution in the workplace may interfere with productivity.

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<sup>3</sup> You have an affirmative obligation to seek outside financial aid for educational purposes. Your failure to do so shall result in your ineligibility for reimbursement by the Company under this policy.

Therefore, the Company has developed reasonable rules that restrict (but do not prohibit) solicitation and distribution by employees. In contrast, solicitation and distribution by non-employees is strictly prohibited.

Persons not employed by the Company are strictly prohibited from soliciting or distributing literature on the Company premises at any time, for any cause or on behalf of any organization.

Employees of the Company are prohibited from soliciting on the Company premises for any cause or on behalf of any organization except during the non-working time of all involved.

Employees of the Company also are prohibited from distributing literature on the Company premises for any cause or on behalf of any organization except in non-work areas during the non-working time of all involved.

Working time is defined as all hours of work, exclusive of breaks and other authorized non-working periods.

Non-work areas include the cafeteria/kitchen area.

The Company premises includes the facilities, buildings, parking areas, surrounding grounds, and motor vehicles owned or leased by the Company.

Any non-employee who violates this Policy will be removed immediately from our Company's premises. An employee who violates the Policy will be subject to appropriate disciplinary action, up to and including immediate discharge.

### **Use of the Company's Communications Systems, Business Equipment, and Supplies**

The Company's telephone and facsimile systems are intended for business purposes. Use of these systems for personal purposes should be kept to a minimum.

Similarly, the Company's copy/scanner machines and other equipment and supplies are intended for business purposes. Use of the Company property and equipment for personal purposes should be kept to a minimum and during non-working time only.<sup>4</sup>

### **Company Monitoring of the Company Communications Systems**

The Company reserves the right to monitor, access, search, block, copy, delete, review, and disclose at any time messages or documents created, sent, stored, or received on, as well as any websites visited on, any of the Company's Communication

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<sup>4</sup> Company equipment and property may never be removed from Company premises for personal use in the absence of written authorization from your supervisor.

Systems, whether accessed on site or via remote locations. The Company's Communication Systems include but are not limited to:

- Telephone systems
- Fax machines
- Computer software/applications and hardware
- Workstation PCs and laptops
- Remote access servers and applications
- Network/file servers
- E-mail servers and systems
- Instant messaging networks
- Text messaging networks
- Voicemail systems
- Internet Servers
- Skype
- Portable devices, such as PDAs, USB drives, memory sticks, flash drives, CDs, DVDs, and cell phones
- Other Communication Systems and/or technologies that may be made available by the Company to employees

By using the Company's Communication Systems with respect to which you have no expectation of privacy, whether accessed on site or via remote locations, employees consent to the Company's monitoring, accessing, searching, blocking, copying, deleting, reviewing, and disclosing, both real time and after the fact, any documents or messages that they create, send, store, or receive on, as well as websites visited on, the Company's Communications Systems.

The Company contracts with certain third-party service providers (for example, electronic communication service providers and/or remote computing service providers) to deliver and store certain communications that are sent or received on the Company's Communications Systems, including by way of example only, instant messages, text messages, and e-mail.

By using the Company's Communication Systems with respect to which you have no expectation of privacy, whether accessed on the Company's premises or via

remote locations, employees consent to the Company's third-party service providers monitoring, accessing, searching, blocking, copying, deleting, reviewing, and disclosing to the Company, both real time and after the fact, any documents or messages that employees create, send, store, or receive on the Company's Communications Systems but which also may be received and stored by one of the Company's third-party service providers, including any electronic communication service provider or a remote computing service provider.

Failure to cooperate with the Company in its exercise of any rights described in this Policy is cause for an employee's immediate discharge. In addition, any employee who engages in conduct intended to interfere with or prevent the Company from exercising any of its rights as described in this Policy will be disciplined, up to and including termination.

### **Employee Use of the Company Communication Systems**

The Company Communication Systems include, but are not limited to, the Company's Internet server, E-mail server, and computers (desktops and laptops). The Company has the right to monitor, copy, delete, disclose, etc. at any time messages or documents created, sent, stored, or received on, as well as any websites visited on, any of the Company's Communication Systems, whether accessed on site or via remote locations.

**A few specific reminders about E-mail.** For purposes of this policy, E-mail includes not only E-mail messages but also text messages and instant messages used by way of desktop computers as well as by way of electronic hand-held devices, such as iPhones.

E-mail is designed primarily for business purposes. However, the Company recognizes that some personal use of E-mail may occur. During working time, non-business uses should be kept to a minimum and not interfere with business activities. During non-working time, such as breaks, employees may use E-mail for personal purposes so long as they don't violate any of the other policies in this Handbook or elsewhere, for example, even during non-working time, an employee cannot use the Company's E-mail to send a sexist, racist, or ethnic "joke" or slur.

When sending a personal E-mail, please be careful not to state or suggest that you are speaking on behalf of the Company or that your views reflect those of the Company.

Employees may not send non-business E-mails to "groups." Employees may send business E-mails to "groups" only for limited business purposes.

It bears repeating that the Company's Policy on Equal Employment Opportunity applies to all E-mail communications. In particular, and by way of example only, employees may not create, send, forward, or store any E-mails that are sexual or suggestive or that stereotype, disparage, or otherwise make fun of any protected group,

for example, any race, religion, ethnic group, gender, sexual orientation, age, or disability.

While there are back-ups for erased E-mail messages, the back-ups are not necessarily retained indefinitely. Accordingly, if a communication should be preserved, archive the message in accordance with Technology guidelines. If you have any question as to whether and how to preserve an E-mail, please contact the Technology Department.

To avoid confidential messages from being delivered into the wrong hands, employees should be very careful when addressing and sending messages. Once sent, a message generally cannot be stopped from being delivered to the addressed recipient(s).

Each employee should keep his or her E-mail password confidential.

An employee may change his or her E-mail password at any time. In addition, an employee's password may be changed by VP, Technology or his/her designee at any time.

An Employee who violates the Policy will be subject to appropriate disciplinary action, up to and including discharge.

**And, a reminder with regard to Internet:**

Access to the Company's Internet Server is designed primarily for business purposes. However, the Company recognizes that some personal access of the Internet may occur. During working time, non-business uses should be kept to a minimum and not interfere with business activities.

During non-working time, such as breaks, employees may access the Internet for personal purposes so long as they do not access sexually-explicit or –suggestive Internet sites or other sites that are inconsistent with our EEO policy, for example, sites that disparage or stereotype any age, race, religion, etc.

One final reminder with regard to your computer: never download any software or install any hardware without prior permission from the Technology Department.

**Social Media**

This policy applies to all forms of social media/social networking, existing now or developed in the future, whether accessed through the Company's network or device or through your personal devices, including, but not limited to: social networking sites (Facebook®, LinkedIn®, etc.); blogs and other online journals, forums, or diaries; bulletin boards and chat rooms; micro blogging (e.g., Twitter®); and posting videos or photos on Instagram, Periscope, Snap Chat, YouTube®, and similar media.



“Post” is defined broadly to include any means by which an individual shares information by way of social media (for example, posting on Facebook or tweeting on Twitter) as well as sharing content created by others (for example, sharing a post created on Facebook or retweeting a tweet on Twitter.)

### **Social Media As Part of Your Job**

If social media is an approved part of your job (and, if it is, you will be informed so in writing):

- Your use of social media is subject to the specific terms, conditions, and restrictions established by the Company and by law, including with regard to respecting the copyrights, trademarks, and privacy rights of others, whether they be entities or individuals.
- The Company owns all postings or other social media communication that you create as an approved part of your job, such as blogs, tweets, and LinkedIn posts.
- You have no expectation of privacy with regard to the content of social media you create or post on behalf of the Company or which you create or post using the Company server.
- You must comply with all Company policies.

### **Personal Social Media**

When engaging in personal social media that is not part of your job:

- Do not state that you are speaking on behalf of the Company and, whenever there is a reasonable possibility of confusion, affirmatively state, whenever reasonably possible, that you are not speaking on behalf of the Company.
- Use personal accounts, such as your personal e-mail address or profile (and not a Company e-mail).

### **All Social Media**

- You may never post a picture, video, or photograph of a member.
- You cannot respond to a social media posting by way of social media if your response would indicate the original post to which you are responding was written by a member.
- We encourage you not to post anything online that you know is false. If you have made a mistake, we encourage you to correct it.

- When commenting on or promoting any Company service on any form of social media, you must as clearly and conspicuously as possible disclose your relationship with the Company to the members and readers of the social media. Sometimes, this may be a written statement. In other cases, such as “liking” a tweet or other post, it is sufficient if your profile indicates expressly your relationship with the Company.
- Show proper respect for the laws governing copyright, fair use of copyrighted materials owned by others, trademarks, and other intellectual property, including the Company’s own copyrights, trademarks, and brands.
- Always keep in mind that you are legally responsible for what you post. Also keep in mind that what you post may remain public for a long time, even if you delete it.
- Make sure that you do not violate the Company policies, such as:
  - You may not use or disclose confidential information under the following policies:
    - Confidential Information, such as: member data, lists, and preferences; the Company financial information; pending projects and proposals, etc.
    - Sensitive Personal Information, such as: member biographic information, including travel information.
    - Sensitive Security Information, that is, information, if publicly released, that would be detrimental to security.
  - You may not use social media to violate our anti-harassment policy, for example, by harassing someone because of their membership in a “protected group.” This would include, for example, sexual, racial, and ethnic harassment. This prohibition applies to social media if such content is about team members, members, business partners, or others with whom the Company does or may do business or becomes known by or could become known by team members, members, business partners, or others with whom the Company does business.

### **External Platforms**

Employees can post on the Company external social media platforms, such as the Company’s Facebook page and the Company’s LinkedIn page, the same as any non-employee, subject to the terms of use that applies to each social media platform.

### **Speaking to the Media on behalf of the Company**

No one can speak to the media (including social media) on behalf of the Company, unless they have been approved to do so in advance. If you receive any requests by the media for a statement on behalf of the Company, forward it to your manager without responding to the request. If you are a manager, please forward immediately to the Company's CEO a request that you have received or has been forwarded to you.

### **Policy Prohibiting Sound Recording Devices in the Workplace**

The purpose of this policy is to eliminate a chilling effect to the expression of views that may exist when one person is concerned that his or her conversation with another is being secretly recorded. This concern can inhibit spontaneous and honest dialogue especially when sensitive or confidential matters are being discussed. [Also, under PA state law, no recording may be made without the consent of all parties.]

Employees are prohibited from recording conversations, phone calls, or other activities involving employees, customers, and business partners, except as permitted below. For purposes of this policy, the following definitions apply:

Sound recording devices includes, but are not limited to, mobile phone, tape recorders, video camera with audio components, and/or any other device that is capable of capturing, storing, or playing sounds.

The Company premises includes, but is not limited to, the facilities, buildings, parking areas, surrounding grounds, and motor vehicles owned or leased by the Company.

Under certain limited circumstances, the CEO or his/her designee may authorize, in writing, the use of sound recording devices by employees for specific legitimate business purposes. In such instances, those so authorized will ensure that the appropriate consent to the recordings, where applicable, has been obtained. An employee who violates the Policy will be subject to appropriate disciplinary action, up to and including immediate discharge.

### **Use of Company Vehicles or Driving Personal Vehicle While on Company Business:**

You must have a valid operator's (driver's) license if you use a Company or personal vehicle for Company business. If so, a copy of your license must be given to the Human Resources Department at the time your employment with the Company begins.

We insist that our employees obey all speed, parking, and traffic regulations while using a Company or personal vehicle for Company business.

You may not operate any vehicle while on Company business whenever your ability to drive safely may be impaired or diminished for any reason (for example, you are taking medication [either prescription or over-the-counter preparations] which may have the effect of reducing your alertness and/or retarding your reflex response).

Further, your operation of any vehicle while on Company business while you are under the influence of alcohol or illegal drugs is cause for immediate discharge.

You must comply with all laws on the use of mobile phones while on Company business. In addition, you may never text while driving.

If applicable, you must return the Company vehicle assigned to you to the appropriate location at the close of each work day, and you are responsible for reporting to your supervisor any mechanical or safety problems you experience with the Company vehicles as soon as you become aware of these problems.

If you are involved in an accident while on Company business, no matter how small, you must report it immediately to Director of Administration.

Unsafe operation of the motor vehicle is cause for discipline, up to and including discharge.

If you operate a Company vehicle or your personal vehicle while on Company business and your operator's license is suspended or revoked, you must advise your supervisor immediately. Your failure to notify your supervisor of an occurrence of this nature and/or you are operating a Company vehicle without a valid operator's license is cause for immediate discharge.

### **Mobile Phones and Driving**

Some states have laws that impose specific terms and conditions on mobile phone use. Employees must comply with such laws when driving in such states during working hours or while conducting business on behalf of the Company (even if not during work hours).

Further, even where not required by state law, the Company strongly encourages employees to comply with the following specific rules regarding mobile phone use while driving a motor vehicle, whether it is the employee's or a Company-assigned mobile phone:

1. During working hours or while conducting business on behalf of the Company (even if not during working hours), an employee who drives a motor vehicle:
  - a. may not use a hand-held mobile phone, except as provided for in Paragraph 2 below.
  - b. may use a hands-free mobile phone.

2. An employee may use a handheld mobile phone while driving a motor vehicle during working hours or while conducting business on behalf of the Company (even if not during working hours) under the following limited circumstances:

- a. to activate, deactivate, or initiate a function of such telephone.
- b. to contact the police or other emergency personnel in the event of an emergency.

3. A mobile phone will be considered hands-free if it can be used without the driver holding it with either hand, for example, it is attached to the car, it is connected to a headset worn by the driver without holding the phone, or the phone has Bluetooth capability and can be used without being held.

### **Mobile Phones In the Workplace**

While employees are not prohibiting from using mobile phones in the workplace, employees should make sure that such use does not interfere with their work or the work of others. Personal calls should be kept to a minimum.

#### **Company-Provided Mobile Phones**

**With regard to Company-provided and/or paid allowances for mobile phones:**

1. You have no expectation of privacy with respect to any calls made or received or data stored on a Company-provided mobile phone.
2. You cannot use a Company-provided mobile phone for illegal purposes or in violation of any Company policy.
3. Report the loss or theft of your Company-provided mobile phone immediately to Brian Cunningham, VP Technology.
4. The Company can 'wipe' the data stored on a Company mobile phone at any time and for any reason.
5. Never text and drive while using the mobile phone.
6. You may not use a handle-held mobile phone while driving except to activate or deactivate the phone or to contact the police or other emergency personnel.
7. You must comply with all applicable laws.

### **Bring Your Own Device (BYOD)**

Employees may be asked to use their own mobile or other devices for work. The Company reserves the right to approve the device that is used.

The following rules apply to any mobile or other device you own or lease and you use for work for the Company:

1. You do not have any expectation of privacy with regard to any data that you create, send, store, or receive on your device using any Company communications system, such as the Company's e-mail server.
2. The Company's Policy on the Company's Communications Systems applies to your device. The Company has the right to review any e-mails you create, send, store, or receive on our e-mail server.
3. The Company reserves the right to monitor, intercept, review, and erase, without further notice, content that is created on, transmitted to, received, or printed from, or stored or recorded on a device for the Company's business or on behalf of the Company. We may copy, erase, or remotely wipe the entire device for information security purposes, including any personal content on the device. Therefore, we strongly recommend that you back up your device frequently. We will not be responsible for any losses related to use of a device for business purposes.
4. You must report the loss, theft, or any unauthorized access to your device immediately to VP, Technology so to protect the security of any data on it.
5. Your device must have a security code to access it. The security code must be "on" at all times when you are not using the device. If you leave the device unlocked, you are responsible for any use of it by a third party. You must adhere to any security guidelines required by the Company's technology department.
6. You may not download or transfer any work product or sensitive business content, including any customer data or the Company confidential business information, to your device without express consent from manager and/or VP, Technology.

### **Searches**

To protect our employees and our business, the Company reserves the right to search at any time any person or property on the Company premises, including, but not limited to, an employee's:

- Work area or office
- Desk, cabinets or locker, even if locked
- Personal possessions, packages, belongings, files etc.

- Automobile

Failure to submit to a search as required by this Policy is cause for an employee's immediate discharge.

For purposes of this Policy, the term "Company premises" includes the facilities, parking area, and surrounding grounds.

### **Parking**

Parking for our employees and for all who have business with the Company is available in front and back of our office. Please remember to be courteous and cautious while driving onto and off of our premises.

Reserved parking for handicapped persons is designated clearly. Vehicles that do not display handicapped parking permits and are parked in these spaces will be ticketed and removed.

## **HEALTH AND SAFETY**

### **Our Responsibilities**

One of our most important responsibilities as an employer is to provide all of our employees with a safe and healthful working environment which is free from unsafe conditions and exposures to harmful substances. The Company takes this responsibility **very seriously!**

Our ability to fulfill this responsibility successfully depends not only upon our establishment and enforcement of appropriate policies and standards for workplace safety but also upon **your willingness** to assist actively in the prevention and reporting of hazardous conditions and circumstances which may cause injury and/or illness to yourself, our visitors, and other employees. **Safety is everyone's job!**

### **Workplace Violence**

We've all read about the problem of workplace violence. Obviously, we cannot eliminate the possibility of its occurrence. However, with your help, we can minimize the possibility that it will happen here.

The Company has a number of prohibitions which are designed to minimize our exposure to workplace violence. More specifically, the following behaviors are absolutely prohibited:

- **Threatening to harm any employee or non-employee with whom you come into contact in the course of your employment (regardless of when or where the prohibited behavior occurs).** Prohibited threats can be expressed or implied and by written, verbal, or by electronic means. The fact that a threatening comment may have been conditional or hypothetical or made "as a joke" is not a defense.
- **Threatening to cause damage to or the destruction of the Company's property or the property of any employee or non-employee with whom you come into contact in the course of your employment (regardless of when or where the prohibited behavior occurs).** Again, the fact that a threatening comment may have been made in jest is of no defense.
- **Possessing or concealing a weapon while on Company premises or anywhere else while doing business for the Company.** For purposes of this prohibition, a weapon is defined to include guns, rifles, firearms, knives, explosives, bombs, and any and all other tools or instruments capable of inflicting harm to persons or property. The Company premises includes the buildings, parking lots, surrounding grounds, and motor vehicles owned or leased by the Company. In the case of guns, rifles, and



other firearms, it is irrelevant that the person has a license or that the gun, rifle, or firearm has no ammunition in it.

- **Physically assaulting, attacking, or intentionally causing injury to, or otherwise engaging in a fight or physical altercation with, any employee or non-employee with whom you come into contact in the course of your employment (regardless of when or where the prohibited conduct occurs).** The only narrow exception to this rule is an employee may use physical force in self-defense under circumstances in which the employee cannot withdraw safely from the situation without the use of physical force. In such circumstances, you may use only as much force as is necessary for you to remove yourself from the situation.
- **Intentionally causing damage to or destruction of property belonging to the Company or any employee or non-employee with whom you come into contact in the course of your employment (regardless of when or where the prohibited behavior occurs.)**

The prohibitions set forth above apply to actions directed not only at employees and non-employees with whom you come into contact in the course of your employment, but also at persons associated with them (e.g., threats against an employee's spouse).

Any employee who violates any of the prohibitions set forth above will be subject to immediate discharge.

Exempt and non-exempt employees who violate this Policy also may be suspended without pay. Exempt employees will be suspended in full day increments only.

An employee who violates this Policy also may be subject to criminal prosecution.

This Policy does not prohibit an employee with a license to carry a firearm from having a firearm in his or her motor vehicle parked on a Company parking lot, provided that the firearm is locked out of sight within the trunk, glove box, or other enclosed area within the motor vehicle. However, under no circumstances may an employee carry the firearm out of the motor vehicle while in the parking lot or carry the firearm into a Company building.

Please contact your local law enforcement in any of the following situations.

- You feel that you are being intimidated, threatened, or harassed, verbally or physically, by a co-worker or anyone else with whom you come into contact in the course of your employment;
- You have been intimidated, threatened, or harassed, verbally or physically, by a non-employee independent of your employment

relationship with us but feel that he or she may look for you at our workplace;

- You become aware of the existence of an individual on or near Company premises under circumstances in which you believe that he or she may not have an appropriate business purpose for being there;
- You become aware of any other action, situation, or occurrence which you believe may threaten your personal safety or the well-being of those around you; or
- You have any ideas as to how we can make our workplace safer.

In all cases, you must contact Operations, even if you call local law enforcement or security first.

A few additional thoughts on workplace security:

- Lock up all valuables. Do not leave them in plain view, since the Company is not responsible for personal items you bring on our premises.
- Do not challenge or confront a hostile or angry person. Attempt to defuse the situation and to remove yourself from the situation; then, notify law enforcement immediately.
- If you work at night, please park your motor vehicle as close to the building as possible. If you cannot get a space close to the building when you park earlier in the day, please move your car before sunset.

### **Reporting Criminal Convictions**

If you are convicted of a crime, you must report the conviction to your manager or Director of Administration within three (3) business days of the conviction. The report will not necessarily result in the termination of your employment but the failure to report on a timely basis will make you subject to termination of your employment. The Company will make an individualized assessment as to the impact of your conviction on your employment status. This duty to report applies to felonies and misdemeanors but not “summary offenses.”

### **Substance Abuse Policy**

Our ability to maintain a safe workplace and to promote high standards of employee health is directly dependent upon the establishment and maintenance of a workplace that is free from the adverse effects of drug use and alcohol abuse.

### ACCOMMODATION (Section 1)

If you need an accommodation because of a substance abuse (or any other) problem, it is your responsibility to make this request to the Director of Administration. If you request an accommodation to seek treatment, your return to work will be subject to Section 7.

### ALCOHOL (Section 2)

a. The use of alcohol while on the Company premises or during working hours is strictly prohibited and will result in an employee's immediate discharge. Although this restriction does not prohibit an employee from consuming limited quantities of alcohol while at lunch, if off the Company premises, such consumption is discouraged. If an employee returns to work under the influence of alcohol, he or she shall be subject to immediate discharge.

b. The possession or concealment of alcohol while on Company premises is strictly forbidden and will make you subject to immediate discharge. However, an employee may have in his or her own vehicle unopened containers of alcoholic beverages, provided that the alcohol is intended for consumption off-Company premises.

### ILLEGAL DRUGS (Section 3)

a. The use, possession, manufacture, sale, dispensation, and distribution of illegal drugs or drug paraphernalia while on Company premises or during the Work Day are strictly forbidden and will make you subject to immediate discharge.

b. An employee's involvement with illegal drugs outside of the Work Day and/or off premises may result in discipline, up to and including discharge, where such involvement may have an adverse effect on the Company's operations or reputation.

### TESTING OF EMPLOYEES (Section 4)

a. Reasonable Suspicion. An employee may be required to submit to drug and/or alcohol testing whenever there is reason to believe, because of physical, behavioral, or performance indicators, that the employee is under the influence of or affected by illegal drugs and/or alcohol while on Company premises or during the Work Day.

b. Post-Accident. An employee may be tested for drugs and/or alcohol after any accident, as defined herein, which could have been caused by human error or carelessness. For purposes of this Policy, an accident shall be defined as occurrences (i) resulting in medical treatment by a medical professional independent of the Company or (ii) damage to property reasonably expected to equal or exceed One-Thousand Dollars (\$1,000) in terms of estimated replacement and/or repair cost.

c. Customer Requirements. An employee shall be tested for drugs and/or alcohol under such circumstances as may be required by a customer of the Company.

d. Government Regulation. Employees will be tested for drugs and/or alcohol to the extent required by federal and/or state law.

e. Unfit for Duty. An employee who tests positive for an illegal drug and/or alcohol is “unfit-for-duty” as defined in Section 5 and shall be subject to discharge as set forth below. The Company reserves the right to determine that an employee is unfit-for-duty without regard to the need for a drug and/or alcohol test.

#### FITNESS-FOR-DUTY (Section 5)

a. Employees are required to be fit-for-duty during the Work Day and while on Company premises.

b. An employee is unfit-for-duty if he or she tests positive for drugs or alcohol. A positive drug test includes positive-dilute.

c. The Company reserves the right to determine that an employee is unfit-for-duty without regard to the need for a drug and/or alcohol test.

d. An employee is subject to discharge if he or she is unfit for duty because of drugs and/or alcohol. However, an employee who is unfit for duty because of the use of alcohol [or drugs] may be eligible for a leave of absence to pursue rehabilitation as an alternative to discharge, provided that the following three factors are met:

- The employee indicates that he or she has an alcohol [or drug] problem and requests an opportunity to pursue rehabilitation.
- The employee has not previously pursued rehabilitation while an employee of the Company.
- The employee complies with the terms, conditions and restrictions set forth in Section 7.

e. Unpaid suspensions of exempt employees will be in full work day increments only.

#### PRESCRIPTION AND OVER-THE-COUNTER MEDICATIONS (Section 6)

An employee shall inform the Company's Director of Administration prior to commencing work if he or she is taking any prescription or over-the-counter medications which could interfere with his or her ability to perform safely his or her job functions. The Company's Director of Administration may consult with the employee's

doctor in determining whether the medication creates a safety risk. If the Company's Director of Administration concludes that it does, the Company will take appropriate measures consistent with applicable state and local law.

### RETURN TO WORK (Section 7)

An employee who is unfit for duty shall be permitted to return to work only if a qualified Substance Abuse Professional approved by the Company determines that he or she is fit for duty. The Company does not assume that an employee who is unfit for duty has a drug or alcohol problem. However, if the Substance Abuse Professional determines that the employee needs treatment, the employee must comply with the treatment recommended and consent to the Company's monitoring his or her compliance with the treatment plan. As a condition of returning to work, the employee must comply with the terms and conditions established by the Company in conjunction with the Substance Abuse Professional and in accordance with applicable state or local law.

The terms and conditions set forth above also shall apply to an employee who is given a leave of absence in response to his or request to seek treatment.

### DRUG-RELATED CONVICTIONS (Section 8)

An employee who is convicted of a drug-related offense occurring in the workplace must inform his or her manager in writing within five (5) days of such conviction. For purposes of this requirement, a conviction includes a guilty plea, a plea of nolo contendere, or any court-supervised program or court-imposed sentence. The workplace includes anywhere the employee performs work on behalf of the Company.

### FAILURE TO COOPERATE (Section 9)

a. An applicant who refuses to provide a specimen on the date and time requested, who refuses to provide written consent to testing, or who provides an adulterated, substituted, invalid, or otherwise tampered specimen, will not be employed.

b. An employee who refuses to provide a specimen at the date and time requested, who refuses to provide written consent to testing, who provides an adulterated, substituted, invalid, or otherwise tampered specimen, or refuses to consent to a search of his or her person, possessions, work area, or vehicle, shall be discharged.

## **Definitions**

### **Alcohol**

Any beverage containing alcohol which is capable of producing a physical, mental, emotional, or behavioral change in the user.

### **Company Premises**

Includes the facilities, buildings, surrounding grounds, parking areas, and vehicles owned or leased by the Company.

### **Drug Paraphernalia**

Any equipment, device, apparatus, or finding which is used in the administration, consumption, ingestion, or inhalation of illegal drugs.

### **Illegal Drugs**

Includes: (1) any chemical substance whose manufacture, use, possession, or sale is prohibited by law; (2) any legally-dispensable controlled substance (medications available only as prescribed by a licensed physician) obtained fraudulently or used by any individual other than the person for whom prescribed; (3) any over-the-counter medication capable of impairing one's alertness and/or physical or mental reflexes taken for purposes of abuse or misuse; and (4) inhalants, such as abusable glue, which not only may cause serious medical problems, but also may impair an employee's physical and/or mental faculties.

### **Work Day**

Work Day includes, in addition to actual working time, break and meal periods, if the employee returns to work after such break or meal period, regardless of whether the individual is on Company premises during such time and regardless of whether the individual is paid for such time.

### **Prescription Or Over The Counter Medication**

Medication normally taken for medicinal or other legitimate reasons, consistent with directions of a physician or, in the case of over-the-counter medications, consistent with the directions on the package.

### **Your Right To Know**

The Company complies with all applicable federal and state Occupational Health, Safety, and Hazard Communications regulations.

### **Fire Safety**

During orientation, you will receive information with regard to fire safety in general and the location of our fire alarms/extinguishers in particular. In the event of a fire, activate the nearest fire alarm, notify management and then leave the building. Management will contact the fire department immediately and determine, with the fire department, whether and how to evacuate the building.

### **Smoking Regulations**

Medical research has established that second-hand smoke can be harmful to the health of non-smokers. Accordingly, smoking is prohibited in the Company building and Company-owned vehicles. Smoking is permitted only outside of the Company building and vehicles.

### **First Aid And Health-Safety Measures**

First-Aid supplies (topical antiseptic, bandages, tape, disinfectants, etc.) are maintained at the Company.

### **Reporting On-The-Job Accidents And Work-Related Illnesses**

If you have an accident or injure yourself in the course of your work, no matter how minor, it is essential that this be reported to your supervisor immediately. This is necessary to ensure that you receive the appropriate level of medical care as soon as possible. It is also necessary to allow the Company to complete and forward the proper forms and reports to governmental agencies and to the Company's Workers' Compensation carrier as required by law.

### **Workers' Compensation**

All employees are covered by the Company's Workers' Compensation insurance policy from the moment employment with the Company begins. This coverage provides medical treatment for you in the event you are injured or become ill as a result of your job duties and also provides for income-continuation should job-related injuries or illnesses prevent you from reporting for work.

If a job-related injury or illness prevents you from reporting for work for a period of more than five (5) scheduled calendar days, you must request a Leave of Absence. The particulars concerning Leaves are discussed beginning on Page 61.

## **YOUR COMPENSATION AND HOURS OF WORK**

### **Employment Classifications**

Upon hire, your employment will be assigned a specific classification. Classifications are defined as follows:

- **Exempt Employees**: These employees are exempt from overtime under federal and state law. These employees, include, but are not limited to, professional, executive, administrative, and outside sales employees as defined by federal and state law.
- **Non-Exempt Employees**: These employees are not exempt from overtime under federal and/or state law. These employees are eligible for overtime under federal and/or state law.

Your employment will be further defined as Regular Full-Time, Regular Part-Time, or Temporary as follows:

- **Regular Full-Time**: This describes the employment of those persons who are regularly-scheduled to work at least forty (40) hours in a work week. As a Regular Full-Time employee, you may be eligible for all of the benefits described in this Handbook.
- **Regular Part-Time**: This describes the employment of those persons who are regularly-scheduled to work a minimum of ten (10) but fewer than thirty (30) hours in a work week. As a Regular Part-Time employee, you may be eligible for certain benefits described in this Handbook.
- **Temporary**: This describes the employment of those persons who have been engaged to perform work associated with a specific discrete project or group of assignments, the completion of which ordinarily will not exceed 90 days. Temporary employees generally are not eligible for any other non-statutory benefits, except as specifically provided herein.

### **Working Hours**

A regular work week for **Non-exempt** employees normally consists of up to 40 hours. Regular business hours are from 8:30 a.m. to 5:00 p.m. However, it is important to remember that the nature of our business and the structure of certain jobs often make it impossible to operate on a completely-regular schedule. Consequently, you may be required as part of your job to have different starting times from week to week or day to day, or to be assigned irregular work hours or work weeks.



### **Flex Time**

Although the Company's normal business hours are from 8:30 a.m. to 5:00 p.m., Monday through Friday inclusive, the Company recognizes that, in certain circumstances, a different work schedule may make it easier for an employee to meet his or her own family and personal needs as well. In an attempt to help employees accommodate these sometimes competing demands, the Company permits employees to request modified work schedules which allow for completion of the same number of hours but with some deviation from the normal schedule.

Because flexible scheduling arrangements may impact adversely not only on the Company but also on the other employees with whom an employee works, such arrangements require the approval of your supervisor. Whether a proposal is approved will depend upon the needs of the Company, the duties of the employees involved, the impact of the request on others with whom the employee works and all other relevant circumstances.

### **Telecommuting**

The Company recognizes certain positions may be performed by an employee at home. Accordingly, the Company may allow, in its sole discretion, an employee to telecommute.

### **Recording Time Worked**

If your job is classified as **Non-exempt**, you are paid a specific rate for all time actually worked in a work day. Consequently, to comply with all applicable laws and regulations and to ensure the accuracy of our payroll, **all Non-exempt employees** are required to record the time they start work and the time they end their assigned duties on their timesheet.

If your job is classified as **Exempt**, your pay does not depend on the number of hours you work per day and/or per week. Rather, exempt employees receive a fixed or pre-determined salary each pay period without regard to the number of hours or days they work, subject only to those deductions specifically authorized by law consistent with their exempt status as discussed below.

Under no circumstances may you record the time worked by another employee or may you allow another employee to record your time.<sup>5</sup> Both events are acts of dishonesty which are cause for immediate discharge of all parties involved.

### **Leaving The Premises During The Work Day**

If you are a **Non-exempt employee** and need to leave the Company's premises during the work day, for example, because of medical or other personal issue, you must

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<sup>5</sup> Nonexempt employees also must record when they begin and when they end their Meal Break.

first request permission from your supervisor. If you are an **Exempt employee**, you do not need permission to leave the Company premises, but you must provide a way of contacting you in the event of an emergency. No permission or notice is required of either non-exempt or exempt employees to leave the premises for lunch.

### **Pay Period, Payroll Procedures, And Payroll Deductions**

The Company is on a semi-monthly pay period. Pay periods cover the 1<sup>st</sup> through the 15<sup>th</sup>, and the 16<sup>th</sup> through the last day of the month.

Payroll is via direct deposit. You will be given a link to retrieve your paystubs. We do not “hold back” any pay so that the pay you receive is based on the assumption that you have worked a “regular” schedule during the period. Consequently, any adjustment to your pay for Overtime, for latenesses, or early departures or for absences not covered by earned Paid Time Off during the pay period will be made in the immediately-following pay period. When negative adjustments are made, the pay received in the prior pay period for hours not worked is considered an advance to you.

The paystub link mentioned above is your personal statement of earnings and deductions with each payroll. This statement describes all deductions taken during the pay period including taxes and any voluntary deductions (e.g., contributions toward group health premiums or the Company’s 401K Plan) authorized by you.

### **Deductions From Exempt Employees’ Pay**

In order for a position to be exempt from overtime under the federal Fair Labor Standards Act (FLSA), ordinarily, (a) the employee’s primary duty must be to perform exempt responsibilities, such as executive, administrative, or professional duties; (b) the employee must be paid the minimum salary; and (c) the employee must be paid on a salary rather than an hourly basis.

This policy addresses the 3rd requirement only – the employee must be paid on a salary rather than an hourly basis.

If your job is classified as exempt, because you are paid on a salary basis, your pay does not depend on the number of hours or days you work per day and/or per week. Rather, subject only to those deductions specifically authorized by the FLSA exempt employees receive a fixed or pre-determined salary each pay period: (i) without regard to the number of hours or days they work; or (ii) without regard to variations in the quantity or quality of their work.

No deductions will be taken from an exempt employee’s pay inconsistent with the salary basis requirement. Moreover, no policy or statement in our Employee Handbook or any other Company policy or procedure shall be construed as permitting or authorizing an exempt employee’s pay to be subject to deductions inconsistent with the salary basis requirement for exempt employees.

1. As a general rule, no deductions will be taken from an exempt employee's pay for absences of less than a full day. Rather, subject only to the one exception set forth below, deductions from your pay for absences due to illness or disability or for personal reasons will be in full day increments only (to the extent you are not eligible for or have exhausted your eligibility for payments under our paid time off policies/disability plan(s) in accordance with their respective terms, conditions, and restrictions).

2. Exempt employees may be suspended without pay for infractions of written workplace conduct rules in accordance with policies distributed to all employees, including, but not limited to, our policies prohibiting harassment and violence as well as our policy on confidential information. Suspensions of exempt employees without pay under these circumstances will be implemented in good faith in full day increments only. (Suspensions of exempt employees also may be made for penalties imposed in good faith for infractions of safety rules of major significance.)

3. For any work week in which an exempt employee is on witness duty, jury duty, or temporary military leave and performs any work for the Company, the exempt employee will receive his or her full salary (minus only military, jury, or witness fees).

4. No deductions will be taken from an exempt employee's pay if he or she is ready, willing, and able to work and the Company shuts down for less than a full work week due to inclement weather or for any other reason or if work is not available for any other reason.

5. Exempt employees are not entitled to payment for any work week in which they perform no work for the Company. In addition, the salary of an exempt employee may be prorated in their first and last weeks of employment.

Because it is the policy of our Company to comply with the salary basis requirement of the FLSA all officers, managers, supervisors, and other employees are prohibited from making any improper deductions from the salaries of exempt employees. If you are an exempt employee and believe that your salary has been subject to an impermissible deduction inconsistent with the FLSA's salary basis requirement, or if you have any other concerns about your pay, please contact your supervisor or Director of Administration.

The Company will conduct an immediate investigation of your concerns, disclosing them only to those who have a need to know in order to investigate and/or to take corrective action. If an improper deduction has been taken from your pay, you will be reimbursed for the improper deduction in the next possible paycheck. We also will make a good faith effort to ensure that, in the future, no similar deductions are taken from your pay or the pay of other exempt employees. Regardless of whether an improper deduction was taken from your pay, we will not engage in or tolerate any retaliation against you for bringing your concerns to our attention.

If you are not entirely satisfied with how your complaint has been handled, for whatever reason, you may appeal your complaint to the CEO. Your appeal should be in

writing to help ensure that intent is clear that you wish to appeal. While we encourage you to be detailed, it is sufficient to say “I wish to appeal my complaint regarding my pay.”

If you are an officer, manager, or supervisor and any exempt employee raises concerns with you about their pay in general or an improper deduction in particular, you must report this by contacting the Director of Administration. You may neither keep the concern confidential nor resolve the concern on your own. If you are not sure whether you have a duty to report, play it safe and report.

### **Payment Of Non-Exempt Employees**

All non-exempt employees are required to complete accurate weekly time reports showing all time actually worked. These time records are required by governmental regulations and are used to calculate regular and overtime pay. At the end of each week and/or pay period, you and your supervisor must attest to the accuracy of the time record before forwarding it to the Director of Administration. Non-exempt employees shall not perform work without recording the time on your time sheet. A non-exempt employee may never work “off the clock.”

Employees are entitled to a 30-minute unpaid meal break each day. Any nonexempt employee who is required to work through a meal break or whose meal break is interrupted due to work will be paid for the 30-minute period. Employees are also entitled to two 15-minute rest periods each day.

If you are an officer, manager, or supervisor and any non-exempt employee raises any concerns about pay, you must report this by contacting the Director of Administration. You may neither keep the concern confidential nor resolve the concern on your own. If you are not sure whether you have a duty to report, play it safe and report.

### **Breast Milk Expression Breaks**

An employee is eligible for breaks to express breast milk in the one-year period following the birth of her child.

An employee is encouraged to use breaks otherwise provided to the employee to express breast milk, where possible. Additional breaks, as needed, may be taken.

An employee who needs to take a breast milk expression break must inform her supervisor so that appropriate coverage can be ensured during the break.

An employee will be paid for her breaks, unless the employee expresses breast milk during an unpaid meal break.

An employee can express milk in her closed-door office or, if not available, in another designated location that is free from intrusion and shielded from view of others, other than the rest room. When expressing breast milk, employees should put a sign on

the door which contains the following or similar statement: "Private: Do Not Enter. Room in Use."

Breast milk can be stored in the Company refrigerator.

### **Reporting In**

If you expect to be **late** for work or are **unable to report** to work because of illness or other unavoidable cause, you or a designee must telephone or email your immediate supervisor.

If you cannot reach your supervisor directly, contact the Director of Administration and then continue to try to reach your supervisor. It is not sufficient to leave a message with the receptionist or a co-worker.

If you are going to be **late** for work, it is necessary to provide your supervisor a **reason** for and the **expected length of your delay**.

If your lateness is an intermittent absence under the ADA or state law, you must inform your supervisor of such.

You are not required to report the reason for your absence. However, you must indicate the expected duration of the absence. If your absence continues for more than one (1) day, you are required to contact your supervisor on a day-to-day basis until the probable duration of your

Your absence from work for a period of three (3) consecutively-scheduled work days **without reporting in** constitutes an abandonment of your employment with us and is considered to be your voluntary resignation from our employ.

### **Overtime for Non-Exempt Employees**

Reasonable efforts are made to accomplish all necessary work without requiring Overtime from our employees. However, when Overtime is necessary to meet our business demands, your supervisor or manager will try to provide you with as much notice as possible.

However, there may be times when it may be necessary to require you to work Overtime on little or no notice (e.g., to address a customer/client emergency). The Company will make an effort to ensure these occasions are as few as possible. It is also expected that you will do whatever you can to arrange your personal affairs to comply when these situations occur since we need your cooperation to serve our customers effectively. Working another job is never a valid justification for not working Overtime as required.

Non-exempt employees will be paid overtime at a rate of one and one-half times the regular rate of pay for all hours worked in excess of forty (40) hours during the

Company's work week. Non-exempt employees are permitted to work overtime only if the additional work time is approved in advance by their supervisor.

For purposes of computing overtime, only time **actually worked** by you in excess of forty (40) hours in the work week are counted. Sick and all other paid time off benefits will not be considered as time worked in calculating Overtime.

Exempt employees are not eligible for Overtime payments.

### **Garnishments**

A Garnishment is a legal notice to the Company from a court which requires us to withhold a portion of your pay and to forward directly to your creditor the amount withheld.

If your payroll account is garnished for reasons other than those covered by the Child Support Enforcement Amendments of 1984, you will be advised of the summons in order that you may pay the creditor immediately and arrange to have the garnishment withdrawn. Any attachment of wages will be carried out pursuant to applicable federal and/or state laws and only to the extent required by those laws.

## **PAID TIME OFF**

### **Holidays:**

The Company observes and allows time off with pay for the following holidays:

- New Year's Day
- MLK Jr. Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- ½ day the Wednesday before Thanksgiving
- Thanksgiving Day
- Day after Thanksgiving
- Workday directly before or after Christmas (depending on day of the week for Christmas)
- Christmas

Any additional holidays will be designated by the Company at the start of each calendar year. If one of these holidays falls on a Sunday, it will be observed on the following Monday. If the holiday falls on a Saturday, the company will select either the following Monday or the preceding Friday as a substitute holiday.

**Holiday Pay.** Regular Full-time employees are eligible for time off with pay for holidays, immediately upon joining the Company. Regular Part-time and temporary employees, including summer employees, are not eligible for holiday pay. Holiday pay shall be at the employee's regular straight-time rate of pay (not to exceed 8 hours).

### **Sick Days:**

The Company provides paid sick days for Regular Full-time employees. Sick leave may be taken when an employee is unable to be present for work due to illness.

The Company may request that the employee furnish a doctor's certificate or other reasonable proof when absent for three (3) days.

Regular Full-time employees will receive sick days according to the following schedule:

Employees will be eligible for paid sick days after 6 months of employment. After 6 months of employment, employees will be eligible for 1 sick day for every two months worked from date of hire, up to 5 days in their first year of employment.

Every succeeding calendar year, employees will be eligible for 5 sick days per calendar year. Time off for sickness taken in less than a full day will be deducted in units of one (1) hour rounded up to the nearest-hour. Sick days will not be accumulated or carried over

from year to year. Employees are not paid for unused sick time, including upon resignation or termination.

### **Vacation and Personal Days:**

The Company provides paid vacation and personal time to Regular Full-time employees.

Regular Full-time employees will accrue paid vacation and personal time (maximum of 2 personal days per year) according to the following rate and schedule (annual totals should be rounded to the nearest whole day):

<b><u>Service Period</u></b>	<b><u>Monthly Vacation and Personal Accrual</u></b>
First Calendar Year	1.0 Day per month (up to a maximum of 10 vacation and 2 personal days)
Calendar Year 2	1.08 Days per month (up to a maximum of 11 vacation and 2 personal days)
Calendar Year 3	1.16 Days per month (up to a maximum of 12 vacation and 2 personal days)

The above pattern continues adding 1 vacation day per year of service until a maximum of 25 vacation days and 2 personal days, for a total of 27 days or monthly accrual of 2.25 Days.

Employees may not take paid vacation or personal time until they actually have accrued the time. New employees accrue paid vacation at the start of employment but may not take any vacation until they have completed at least 6 months with the Company unless approved in advance by their supervisor.

Generally, employees should submit vacation plans to their supervisor at least 2 weeks in advance of the requested vacation date. Vacation may be scheduled in increments of 1 full workday up to a maximum of 2 weeks in a row. Managers have the right to designate when some or all of vacations must be taken.

Vacation and personal days must be used in the calendar year it is accrued. Employees will be permitted to carry over up to 2 days of accrued vacation to the following calendar year, but the carryover vacation must be used by March 31 of the following year. Otherwise, unused accrued vacation and personal days will be forfeited.

Employees whose employment terminates, regardless of the reason, will be paid for unused vacation and personal time that has accrued during the calendar year of the termination. Such payment of accrued unused vacation does not include payment of the 2 days (maximum) carried over from the prior calendar year.



## **Bereavement Leave**

The Company understands the hardships associated with the loss of a family member. Consequently, the Company has established a Bereavement Leave benefit to provide our eligible employees the ability to handle their obligations without suffering a loss of pay.

As a Regular Full-Time employee,<sup>6</sup> you are eligible for up to three (3) regularly-scheduled work days off<sup>7</sup> at your regular base rate of pay to handle arrangements for and to attend the funeral services of a member of your immediate family. Members of your immediate family, as defined for this Policy, are your spouse, child, sibling, parent, parent-in-law, and any individual who, although not related to you by blood or marriage, has a significant emotional relationship with you and resides as your domestic partner at your home address.

Regular Full-Time employees may request one (1) regularly-scheduled work day off at your regular base rate of pay to attend the funeral services of your aunt, uncle, niece, nephew, cousin, grandparent, grandchild, brother-in-law, or sister-in-law.

## **Jury Duty And Service As A Witness**

The Company encourages its employees to respond positively to their civic responsibilities when called upon to serve as **jurors** or **witnesses**. Consequently, the Company compensates our Regular Full-Time and Regular Part-Time Employees summoned to serve in these capacities, up to a maximum of two (2) calendar weeks, the **difference** between their base rate of pay for regularly-scheduled work days lost (non-Overtime hours only) and jury pay or witness fees received.

You must report immediately to your supervisor your receipt of subpoena or notice to appear for Jury Duty or as a witness. However, the Company may request that you be excused from Jury Duty or witness duty or be assigned to another time if your services are considered to be essential to our business operations at the time you are scheduled for Jury Duty or service as a witness.

While on Jury Duty or serving as a witness, you must work whenever the service schedule permits.

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<sup>6</sup> Regular Part-Time employees may be eligible for a prorated benefit.

<sup>7</sup> These three (3) days include time actually lost from work beginning on the day of the death and on the days following.

## **INSURANCE AND RETIREMENT BENEFITS**

The Company offers insurance and retirement benefits. They include the following:

- GROUP MEDICAL AND DENTAL INSURANCE
- GROUP LIFE AND ACCIDENTAL DEATH INSURANCE
- SHORT-TERM DISABILITY INSURANCE
- LONG-TERM DISABILITY INSURANCE
- 401K RETIREMENT PLAN

With regard to each of these benefits, eligible employees will receive a **Summary Plan Description**. As the name implies, the Summary Plan Description is a general summary of the eligibility requirements and other terms, conditions, and restrictions as set forth in the **Plan Document** for each benefit plan.

Your specific rights to benefits under each benefit plan and the conditions to be satisfied for eligibility for participation/coverage is governed solely, and, in every respect, by the eligibility requirements and other terms, conditions, and restrictions in the Plan Documents and insurance contracts, and not by the information in this Handbook. If there is any discrepancy between the descriptions of the plans presented in this Handbook and the official Plan Document, the language of the official Plan Document shall govern as the “**final word**.”

You should remember that the Company reserves the right, in its sole discretion, to revise, to modify, or to terminate any benefit plan, option or coverage (including any retiree benefit plan, option or coverage) at any time, for any reason, with or without further notice.

### **Group Medical and Dental Coverage**

Regular Full-time employees scheduled to work at least forty (40) hours each week may be eligible for coverage under the Company's Group Medical and Dental Coverage. Generally, coverage begins on the first of the month closest to the start date.

To participate, you must complete an enrollment form at the time employment begins or at the time you satisfy the eligibility requirements for this benefit.

Medical and Dental Coverages for you and your eligible dependents are paid for by the Company on a shared-cost basis. Currently, the Company pays 80% and the employee pays 20% of the monthly premiums.

### **Group Life and Accidental Death and Dismemberment Coverage**

All Regular Full-time employees scheduled to work at least forty (40) hours each week may be eligible for coverage under the Company's Group Life and Accidental Death and Dismemberment Coverage. Generally, coverage begins on the first day of the month following the start date.

The total cost for this coverage is paid by the Company. You may also be eligible to purchase supplemental insurance at your cost.

To participate, you must complete an insurance enrollment form and designate your beneficiary(ies) at the time employment begins or at the time you satisfy the eligibility requirements for this benefit.

### **Short-Term Disability Coverage**

Regular Full-time employees who are scheduled to work a minimum of forty (40) hours each week may be eligible for coverage under the Company's Short-Term Disability Coverage. Generally, coverage begins on the first day of the month following the start date.

All expenses associated with this Coverage are paid in full by the Company.

Generally speaking, you may qualify for benefits through this coverage for Disability caused by:

Injury: on the 8<sup>th</sup> day of Total Disability or Disabled and Working;

Sickness: on the 8<sup>th</sup> day of Total Disability or Disabled and Working.

Payments received under this benefit will be subject to offset (reduction) to the extent you receive payment from other sources, e.g., a private disability policy and/or workers' compensation.

### **Long-Term Disability Coverage**

Regular employees who are scheduled to work a minimum of forty (40) hours each week may be eligible for coverage in the Company's Long-Term Disability Plan. Generally, coverage begins on the first day of the month following the start date.

All expenses associated with this Coverage are paid in full by the Company.

Generally speaking, the Company's Long-Term Disability Coverage provides monthly indemnity (income-continuation) payments to a covered employee who is certified as totally disabled as defined by the Plan Document's Elimination Period of 180 day(s).

Payments received under this benefit may be subject to offset (reduction) to the extent you receive payment from other sources, e.g., a private disability policy and/or workers' compensation.

### **401(k) Retirement Plan**

The Company has established the **401(k) Retirement Plan** as a means by which eligible employees may participate with the Company to save toward financial security for their retirement years. The Company's 401(k) Plan, allows you to make tax-favored payroll deductions from your earnings for deposit into your retirement-income fund.

You will be eligible to participate in the Savings and Investment Plan if:

- You have attained age 21, and
- You have been employed by the Company for twelve (12) consecutive months immediately following your date of employment and have been **credited** with at least one thousand (1,000) hours of service within those twelve (12) consecutive months.

If you are an eligible employee, you may become a participant in the Plan on your one (1) year anniversary with the Company following your satisfaction of the eligibility requirements. To become a participant, you **must** complete an enrollment form and a Salary Deferral Agreement. These forms are available through the Director of Administration.

## **LEAVES OF ABSENCE**

Employees may be eligible for an unpaid leave of absence and/or time off as a reasonable accommodation for his or her own disability pursuant to the ADA, and/or pursuant to applicable state or local laws.

### **I. AVAILABILITY OF LEAVE AND/OR TIME OFF AS A REASONABLE ACCOMMODATION UNDER THE ADA**

Since Company employees are not eligible for FMLA leave, if an employee needs time off for his or her own disability, the employee may be eligible for unpaid leave as a reasonable accommodation under the ADA and/or applicable state or local law. An employee's request for a leave of absence and/or time off as a reasonable accommodation will be considered pursuant to the provisions of the ADA and/or applicable state law.

The Company will provide a leave of absence, time off or other reasonable accommodations under the ADA and/or applicable state or local law, absent an undue hardship.

### **II. MILITARY LEAVE**

All employees shall be eligible for Military Leave for voluntary or involuntary military service (federal or state) in conformity with all applicable law, including the Uniformed Services Employment and Reemployment Rights Act (USERRA). An employee on Military Leave will be reinstated in accordance with applicable law.

Employees must notify the Operations Department as soon as possible after learning of their need for Military Leave. Notification may be oral or written. If the employee's order to report for duty is in writing, the employee should provide the Operations Department with a copy of the order as soon as possible.

Military Leave is generally unpaid, unless otherwise required by law. However, the Company will pay its exempt employees their full salary for any work week in which they are on Military Leave and do any work for the Company, less any compensation the employees receive from the military.

Employees who are on unpaid Military Leave may elect to use their available accrued unused vacation and personal time, although they are not required to do so. Employees on Military Leave do not accrue additional paid time off (vacation or personal time) during Military Leave, except during such time as they use their available vacation or personal time.

Employees on Military Leave will receive all seniority-based benefits which they otherwise would have received had they remained actively employed. The Company treats employees on Military Leave the same as employees on other forms of comparable leave with regard to non-seniority-based benefits.

Generally, employees on Military Leave who have health coverage through the Company may continue to participate in the Company's health benefits, as defined by USERRA, at their sole expense under USERRA and COBRA, subject to USERRA's and COBRA's eligibility requirements and other terms, conditions and restrictions, unless otherwise required by state law.

Employees who participate in the Company's retirement plan but who do not continue to contribute while on Military Leave may make catch-up contributions following their return from Military Leave, consistent with the law.

### **III. STATE OR LOCAL LEAVE LAWS**

You may be eligible for additional leave under state or local law. If so, it will be addressed in an Addendum to this Employee Handbook.

### **IV. OTHER LEAVES**

Depending on the state, employees may be eligible for unpaid leave under state or local law to:

- Vote
- Serve as a witness or juror
- Provide emergency rescue/response activities, such as for a volunteer fire department or to provide ambulance services
- Address domestic violence (e.g., to relocate, seek counseling, initiate legal action, obtain medical care)
- Bone marrow or organ donor leave
- Attend court as a victim
- Serve as an election officer
- Attend school conference

If you need time off for any of the reasons noted above, or any for another reason, please contact the Operations Department so that the Director of Administration can advise you on whether you are eligible for a leave and the terms and conditions of same.

Even if you are not eligible for leave under state or local law, you may be eligible for unpaid time off at the Company's discretion or as a matter of Company policy.

## **V. ALL LEAVES**

If you are an officer, manager, or supervisor and any employee asks for a leave of absence or raises the need for time off that sounds like it may fall under one of the reasons for leave set forth above, you must report this by calling the Director of Administration. You may neither keep the issue confidential nor resolve it on your own. If you are not sure whether you have a duty to report, play it safe and report.

With the exception of Military Leave, an employee who fails to return to work upon the expiration of an authorized leave or one who accepts employment with another company while on an approved leave of absence will be deemed to have voluntarily resigned his/her position.

## **WHEN PROBLEMS ARISE**

### **Corrective Counseling**

Although your employment with the Company is “at-will” (that is, either party can terminate the employment relationship at any time, for any or no (legal) reason, with or without cause and with or without prior notice), your failure to meet the Company’s expectations may result in informal coaching and/or formal Corrective Counseling.

Corrective counseling may include none, some or all of the following steps:

<b>Step One</b>	<b>Verbal Warning</b>
<b>Step Two</b>	<b>Written Warning</b>
<b>Step Three</b>	<b>Final Warning<sup>8</sup></b>
<b>Step Four</b>	<b>Discharge</b>

Because unsatisfactory job performance and unacceptable conduct have different levels of seriousness, Corrective Counseling may be initiated at an intermediate level or a Step or Steps of Counseling may be bypassed. Circumstances which may impact on such a decision include, but are not limited to:

- The severity of and conditions under which substandard attendance/performance/conduct occurred;
- Whether the attendance/performance/conduct at issue violated more than one rule, policy or procedure;
- Your position with the Company;
- The quality of your overall job attendance/performance/conduct; and
- Your demonstrated willingness to make improvements in attendance/performance/conduct as needed.

The Corrective Counseling process discussed above will **NOT** be followed:

- When management is of the opinion that remedial efforts are unlikely to be successful;

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<sup>8</sup> In conjunction with the Final Warning, exempt and non-exempt employees are subject to unpaid suspensions. Exempt employees may be suspended without pay only in full day increments and only for violations of workplace conduct policies applicable to all employees.



- During the New-Hire Introductory Period (first 120 days of employment); or
- When you have engaged in conduct or performance which falls so far below the expectations of the Company that the Company concludes that your employment cannot be continued.

While it is neither practical nor desirable to list every conceivable cause for immediate discharge, set forth below is a list of some of the possible causes for immediate discharge:

- Violations of any of the following Policies:
  - Equal Employment Opportunity Policy
  - Substance Abuse Policy
  - Confidentiality
  - Conflicts of Interest
  - Workplace Violence
  - Code of Conduct
- Theft including: misappropriation of Company property or property belonging to any of the Company's employees or any person with whom we do business (regardless of when or where the prohibited behavior occurs).
- Dishonesty, including:
  - Falsification of any pay, time, business, expense, or employment record (including your Application for Employment).
  - Recording the time worked by another employee or permitting another employee to record time worked by you.
  - Providing false information or testimony in the course of an investigation being conducted by the Company.
  - Claiming benefits under false pretense.
- Insubordination, which is defined as refusal to obey a supervisor's instructions or willful disobedience when directed to perform work (absent legitimate reason for the employee's refusal, such as reasonable, good-faith belief that the instruction or task is unlawful).
- Unethical or illegal conduct in the course of your employment.

- Reckless disregard for or willful violation of any safety or security rules.
- Sleeping on-the-job.
- Gross neglect of duties or job responsibilities.
- Gambling or loan-sharking while on Company premises or during working hours (even if off Company premises).
- Absence from work for 3 or more consecutive days without notice.
- Obtaining other employment during a Leave of Absence, excluding Military Leaves or absent prior written permission from the Director of Administration.
- Failure of an officer, manager, or supervisor to report a request, concern or complaint as required by this Handbook.
- Other serious misconduct as determined by the Company.

### **Resolving Conflicts**

Problems are inevitable in every workplace. What distinguishes workplaces is how they are resolved.

We have always prided ourselves on our “Open Door Policy,” which provides any employee access to our executive officers (President and Vice Presidents) for the purpose of addressing a problem. This policy will continue to be at the core of the Company philosophy.

In addition, we have developed a more formal 3-Step Problem Resolution Process. It is designed to ensure that all complaints are heard in a fair and unbiased manner.<sup>9</sup>

The process is as follows:

#### **Step 1**

If you have a complaint concerning any aspect of your employment (including the evaluation of your job performance and/or Corrective Counseling), you should discuss your concern with your supervisor **within ten (10) calendar days** of the event’s occurrence.

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<sup>9</sup> If your complaint involves discrimination, harassment or retaliation, please use the Complaint Procedure in our Equal Employment Opportunity Policy beginning on Page 6 of this Employee Handbook.

## **Step 2**

If you are not entirely satisfied with your supervisor's resolution, you should bring the matter to the attention of the Director of Administration **within five (5) calendar days** of receipt of your supervisor's response. Referrals at this stage always should be in writing. This not only will help you to clarify your own thoughts, but also will help to ensure that the Director of Administration has as complete an understanding of the problem as possible.

## **Step 3**

If you are not entirely satisfied with the Director of Administration solution, you may, **within five (5) calendar days** of receipt of the Director of Administration decision, request that the CEO review the situation. This request also must be made in writing. The decision of the CEO will be final.

If the above procedure is not practical for you (perhaps because of the personalities involved), you may skip the Step(s) which you feel would be inappropriate. Of course, in the normal situation, the procedure described above will make the most sense and should be followed.

If you do not receive a response to your complaint at any level within five (5) working days of your notification, you automatically can proceed to the next level.

We welcome your thoughts and suggestions at any Step in the process; however, if you do not appeal your situation to any of the next Step(s) in a timely fashion, the resolution of the last Step will be presumed to have been satisfactory to you.

## **WHEN YOU LEAVE THE COMPANY**

### **Resignation Of Employment**

Because employment with the Company is “at-will,” either you or the Company has the right to terminate your employment at any time, with or without cause and with or without prior notice. However, if you are considering resigning, we encourage you to discuss the matter with your immediate supervisor. Perhaps opportunities of which you may not be aware can be pointed out to you, problems resolved, or misunderstandings corrected. Whatever the reason motivating your possible resignation, it is generally to our mutual benefit for you to review your situation with us before you make a final decision.

Regardless of whether you share your plans with us, we encourage you to give us **proper notice** of your intent to resign your position. Proper notice is defined as written notification of your intent to separate from our employ addressed to your immediate supervisor and presented **at least 14 calendar days prior to the last day on which you will be actively at work.**

Proper notice is necessary because separation procedures take time, and notice will allow us time to prepare the necessary documents relative to your final pay and continuation/conversion of certain benefits as well as to attempt to recruit and to train a replacement. In addition, by giving proper notice, you will leave in good standing, which is to any employee’s benefit.

With the exception of Company-recognized Holidays, you are expected to be present as scheduled for each work day during your notice period. However, if you fail to give us proper notice or fail to report for work on each day of your notice period, any earned paid time off for which you otherwise may be eligible at the time of your separation will be reduced by the number of days your notice was short.

Failure to give proper notice and/or to work the entire notice period as required also shall result in your ineligibility for rehire.

The Company may, in its sole discretion, waive your notice period, in whole or in part, with pay.

### **Leaving Without Notice (Job Abandonment)**

Your absence from work for a period of 3 or more consecutively-scheduled work days without reporting in constitutes an abandonment of your employment and is considered to be your **voluntary resignation** from our Company’s employ.

Leaving Without Notice will result in forfeiture of those benefits normally paid upon separation which may be legally withheld by us (e.g., earned Vacation). If your separation from our employ occurs under these circumstances, you will not be eligible for rehire.

### **Discharge From Employment**

This form of termination of employment is initiated by the Company where the Company believes your separation from our employ to be in the Company's best interest.

### **Separation Procedure And Exit Interviews**

Regardless of the reason for your separation from our employ, it is necessary that you complete the entire **Separation Procedure**. Application for terminal benefits (e.g., earned but unused Vacation and election to continue or to convert certain benefits) is part of this Procedure. Also, arrangements must be made for the return of all property of the Company (e.g., credit cards, keys/fobs, computer, etc.) and settlement of all outstanding cash travel expenses (if any).

Moreover, upon the termination of your employment with the Company, whether by the Company or by you, regardless of the reason, you shall return to the Company, retaining no copies, any and all files, correspondence, documents, drawings, specifications, computer printouts, disks and other writings which relate to or reflect the Company's business, operations, customers, employees, suppliers, etc., regardless of where such files, correspondence, documents, drawings, specifications, computer printouts, disks and other writings were kept or prepared and regardless of whether you created or prepared these files, correspondence, documents, drawings, specifications, computer printouts, disks, and other writings.

**Exit Interviews** are a routine part of the Separation Procedure. During the Exit Interview, you may comment upon the particular aspects of specific duties and responsibilities as well as upon the Company in general. Your comments, based on your first-hand experience, can be extremely helpful.

### **References**

It is the Company's general policy to provide neutral references only (i.e., positions held and dates of employment) to prospective employers of former employees.

### **Unemployment Compensation**

**Unemployment Compensation** is a statutory benefit designed to assist certain individuals who are unemployed. Excluded from eligibility, for example, are those who resign voluntarily from our employ or who are discharged for willful misconduct. To receive these benefits, you must file a claim with the Commonwealth of Pennsylvania's Department of Labor, Unemployment Division. Because the events surrounding the reason for your separation from the employ of the Company will determine your eligibility for Unemployment benefits, you should inquire about Unemployment Compensation at the time you complete the **Separation Procedure**.

**CAP Index, Inc.**

**ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK**

This is to acknowledge that I have received a copy of the Company's Employee Handbook.

\_\_\_\_\_  
Employee's Name  
[printed or typed]

\_\_\_\_\_  
Employee's Signature

\_\_\_\_\_  
Date



**THE COMPANY**  
**EMPLOYEE HANDBOOK**  
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