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**The Company, Inc.**

*Employee Manual*

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## ***Welcome to The Company!***

On behalf of your future colleagues and myself, I welcome you to The Company and wish you every success here. I believe that each employee contributes directly to The Company's growth and success, and I hope you will take pride in being a member of our team.

The Company is the only leading firm to focus on demand-driven growth. This enables companies to systematically identify the most profitable current, emerging, and latent demand in the market and serve it with compelling, competitively differentiated products, services and offers that command pricing power. We help companies grow by finding profitable, unsatisfied demand and then aligning their supply to capture these opportunities.

Our people are what make The Company such a unique place to work and grow. Our consultants work in small teams with the most senior members of the firm, allowing individuals to quickly take on higher levels of responsibility. The entrepreneurial spirit is what keeps The Company one of the most challenging, exciting, and creative places to grow your career.

We believe that the working environment, wages, and benefits we offer to our employees are competitive with those offered by other employers in this area and in this industry. If you have concerns about working conditions or compensation, you are strongly encouraged to voice them to your supervisor or mentor. Our experience has shown that when employees deal openly and directly with their supervisors and mentors the work environment can be excellent, communications clear, and attitudes positive. We try to respond effectively to employee concerns.

Our office manager and chief financial officer are here to help you to conduct yourself within the parameters set by The Company. They are charged with the responsibility of informing you of any changes made to the employee manual and interpreting the policies within the employee manual. You are encouraged to contact them whenever you have a question regarding company policies, insurances, or any other employment issues, etc.

I hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

***John Doe***

Founder

## ***Purpose of the Manual***

The purpose of this manual is to share with you the philosophies, policies, and procedures of The Company. We want you to be successful during your employment and pledge our full cooperation to help you achieve this goal. It is our intent to help you understand what we expect from you and what you can expect from The Company. This handbook should serve as one of several resources for you to use if you should have a question about our policies and procedures. Of course, it is impossible to cover every situation that may arise in the course of your employment in this manual. Therefore, from time to time issues must be addressed as they arise.

Every member of The Company is expected to abide by the policies and procedures outlined in this manual. This manual supersedes all previously issued manuals or handbooks. In turn, it may be replaced or amended at any time at The Company's discretion. If you would like to recommend a new policy or policy change, your written recommendation should be submitted to management for review. All recommendations are given serious consideration.

PLEASE NOTE: This manual is for guidance only; it is not intended to create or constitute an employment agreement or contract. Your employment with The Company is "at will". *This means that both you and The Company are free to terminate the employment relationship at any time, with or without notice or cause.* No exception to this at-will policy is valid unless in writing and signed by an officer of The Company.

The Company reserves the right, within its discretion, to change any of the policies, procedures and benefits discussed in this Employee Manual at any time.

## ***I. Equal Employment Opportunity Policies***

### ***A. Equal Employment Opportunity Statement***

It is The Company's long-standing policy to offer equal opportunities for employment and advancement to all applicants and employees. Our belief is that profitability, responsible growth, and business success result from the maximization of our human resources. Effective operations can be achieved only through the enhancement of the skills and abilities of every employee.

We administer our policies relating to employment without regard to race, color, religion, age, sex (including pregnancy), sexual orientation, national origin, disability, marital status, citizenship status or veteran status. We attempt to ensure that employment decisions are based on the principles of equal opportunity, and on individual qualifications and merit. This includes employment decisions relating to recruiting, hiring, compensation, benefits, company sponsored training, educational assistance, promotions, terminations, workforce reductions, and social and recreational programs.

We also adhere to the principles of the Americans with Disabilities Act. That Act prohibits employers from discriminating against employees or job applicants with disabilities. We will provide reasonable accommodations to otherwise qualified disabled employees or applicants. Please recognize, however, that we cannot promise to make any and all accommodations. We must consider each accommodation on a case-by-case basis to determine whether it would cause an undue hardship to our business.

We are committed to equal employment opportunity not merely because it is our legal obligation, but because of our firm conviction that it is right and makes good business sense. Any employee who has questions regarding our policy or feels that we are failing in our dedication to equal opportunity should contact the office manager or follow the complaint process set forth below.

### ***B. Sexual Harassment and Other Forms of Prohibited Harassment***

The Company will not tolerate discrimination or harassment against employees. Employees are required to avoid any type of behavior that could even be legitimately *perceived* as discriminatory or hostile based upon a person's ethnicity, gender, race, age, national origin, disability, sex or other prohibited factors. Such behavior should be avoided even when it is intended as a "joke" or "kidding around". We will not tolerate harassment regardless of the perpetrator: supervisors, co-workers, customers, or vendors.

By "harassment", we mean any behavior that exhibits hostility or aversion toward an individual (or an individual's relatives, friends, or associates) because of that person's race, color, religion, gender, national origin, age, disability, sexual orientation, or other protected characteristic. This includes behavior that creates an intimidating, hostile or offensive working environment or interferes with an individual's work performance.

Sexual harassment deserves special mention. Sexual harassment occurs when sexual activity is required in return for getting or keeping a job or job-related benefit, or when the behavior of anyone in the work setting is sexual in nature and creates an intimidating, hostile or offensive working environment or interferes with another's work performance. Sexual harassment includes:

- a) Unwelcome sexual advances
- b) Request for sexual acts or favors
- c) Other verbal or physical conduct of a sexually harassing nature.

### ***C. Procedure for Complaints of Harassment or Discrimination***

If you have a complaint about an incident of harassment or discrimination, immediately report the matter to your direct supervisor or mentor.

If your direct supervisor or mentor is the subject of your complaint, or if you are not satisfied with his/her handling of the complaint, bring the matter to the attention of the office manager or chief financial officer.

If you are not satisfied with the response, you may take the matter directly to a Principal.

All complaints will be thoroughly investigated and will be treated with a manner of confidentiality consistent with the resolution of the problem. If the allegations are found to be true following investigation, appropriate corrective action will be taken up to and including the discharge of offending employees.

Employees are encouraged to report to management any incident of harassment they may witness.

### ***D. Retaliation***

Retaliation against an individual for bringing or corroborating harassment or discrimination allegations is strictly prohibited, so long as such allegations or corroboration are made in good faith and are not knowingly false

## ***II. Beginning Your Employment at The Company***

### ***A. Immigration Law Compliance***

While The Company does not discriminate on the basis of citizenship or national origin, it is committed to employing only persons who are authorized to work in the United States.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with The Company within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact their office manager. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

### ***B. Categories of Employees at The Company***

The Introductory Period is the first 30 calendar days of a new employee's employment. A new employee is not eligible for any of The Company's benefits until they successfully conclude their introductory period. Time worked during the introductory period is included in establishing an effective seniority date.

A new non-exempt (i.e. eligible for overtime pay) employee also has a probationary period for the first 90 calendar days of employment. The probationary period is intended to give new non-exempt employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. The Company uses this period to evaluate employee capabilities, work habits, and overall performance. Non-exempt employees who complete the probationary period will normally receive an evaluation and a decision will be made whether to continue employment. If The Company determines that the designated probationary period does not allow sufficient time to thoroughly evaluate the employee's performance, the probationary period may be extended for a specified period. The satisfactory completion of the probationary period should not be construed as creating any rights to continued employment of any specific duration.

Employees working at The Company fall within one of the following categories:

A ***Regular Full-Time Employee*** is an employee of The Company who has successfully completed the introductory period of employment and who works a regular full-time schedule of 40 hours a week. Upon completion of the introductory period, this individual becomes eligible for The Company's benefit package, subject to the terms, conditions and limitations of each benefit program.

A ***Regular Part-Time Employee*** is an employee of The Company who regularly works less than 40 hours a week. If a regular part-time employee regularly works at least 24 hours a week, he/she will be eligible to enroll in The Company's 401(k) plan on the first of the month following the introductory period and will receive 60% of a full day's pay for Company recognized paid holidays. If a regular part-time employee works at least 30 hours a week, then he/she will also be eligible for coverage under The Company's group health and life insurance plans after the

introductory period, and will also receive 75% of a full day's pay for company recognized paid holidays. Otherwise, a part-time employee that does not work at least 24 hours a week is not eligible for any of the other components of the benefits package offered by The Company (other than legally mandated benefits such as the workers' compensation insurance benefit and social security), except as may otherwise be determined by The Company.

A **Temporary Employee** is an employee of The Company hired for a specific project or duration of time. Such an employee receives no benefits of any kind except as legally mandated, i.e. workers' compensation and social security benefits.

### ***C. Classifications of Employees at The Company***

The following are the job classifications of employees at The Company:

- The Principals manage the firm, generate new client opportunities, provide thought leadership, and train, develop and mentor consulting staff.
- The Project Directors manage client engagements, assist in maintaining and expanding upon current relationships and selling new business. In addition, the Project Directors will be responsible for mentoring junior consulting staff.
- The Project Managers perform the day-to-day execution of client engagements and manage day-to-day contacts with client team members often under the direction of the Project Directors.
- The Consultants work on engagements under the direction of the Project Directors or Project Managers.
- The Business Analysts perform data analysis for engagements.
- The rest of the Management Staff, consisting of Finance, Office, and other Non-Consulting specialized functions.
- The Administrative Staff, such as Accounting, Administration, Production, and other office support personnel.

### ***D. Performance Evaluation***

Your supervisor, project director, and/or mentor will discuss job performance and goals on an informal, day-to-day basis. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

The formal evaluation will document what your supervisor, project director, and/or mentor has been telling you or observing about your performance during the period covered by the evaluation. All consulting and administrative staff should receive formal reviews at the conclusion of each project. These will generally be completed by either the Project Director or Principal. Consulting and administrative staff will also receive formal year-end reviews that summarize the total year's performance. Mentors will complete the annual reviews for consulting staff.

The evaluation is intended to promote better understanding, to commend you for good performance and, when necessary, to show where you can or must make improvement. It provides you and your supervisor, project director, and/or mentor a formal opportunity to better understand each other's views and needs. You are urged to talk frankly about your job, working

conditions, problems or suggestions, and your goals. The opportunity to talk with your supervisor or mentor is not limited to these sessions. You are encouraged to discuss any problems with your supervisor, project director, and/or mentor at any time. Performance evaluations will be considered in the event of transfers or promotions.

The performance of all consulting, management, and administrative staff is generally evaluated according to an ongoing 12-month cycle, beginning just prior to the calendar-year end.

### ***III. Pay Policies and Work Schedules***

#### ***A. Office Hours***

The Company's normal office hours are 8:15 a.m. to 5:45 p.m., Monday through Friday. Regular hours for individual employees may vary depending on their role and responsibilities. A normal workweek is forty (40) hours. Employees are encouraged to arrive approximately fifteen minutes before their scheduled starting time in order to take care of personal needs, getting coffee, etc. It is possible that normal office hours may change from time to time based upon the changing needs of The Company.

There is a lunch break provided in the middle of the day that is either one-half hour or one hour in length, depending on the daily work load needs. Lunch is to be taken between 12:00 p.m. and 2:00 p.m. In order to maintain security, services and staffing of offices, lunch breaks are to be staggered. The lunch period is not considered compensated time, therefore that one-half hour or full hour should not be counted in tallying your daily total hours worked on the timesheet.

#### ***B. Timekeeping***

Accurately recording time worked is the responsibility of every employee. All employees are required to submit time sheets on a weekly basis showing daily time worked. All time records must be signed by the employee. Federal and state laws require The Company to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Exempt employees are to submit timesheets based on 8 hours each day, 40 hours each week. If an exempt employee works more than 8 hours in a day, actual hours should be allocated pro-rata by project code down to 8 hours.

Non-exempt employees are asked to use a daily sign in/out sheet located at the front desk so they can be easily located throughout the day. On a daily basis, employees should record their starting time, time out for lunch, time in from lunch, quitting time, and total hours worked on their time sheets. Employees are permitted to sign in or begin work before their normally scheduled starting time, to sign out or stop work after their normal quitting time, or to work through their lunch hours for billable projects with prior approval of their supervisor, the production coordinator, or office manager. Non-exempt employees may not perform work away from the office without prior approval from the consultant requesting the work and the office manager.

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

#### ***C. Overtime***

Overtime is paid at the rate of time-and-a-half for hours worked over 40 in a workweek for non-exempt employees. It is the employee's responsibility to log in and out daily, keep track of cumulative daily hours, and follow management's direction for timekeeping.

Overtime should only be incurred with prior approval by a manager or the office manager.

Exempt personnel employed as executive, administrative, professional employees, or in certain computer-related jobs, as defined by the Department of Labor, do not receive overtime compensation.

#### ***D. Paydays***

Employees are paid biweekly on every other Friday. Each paycheck will include earnings for all work performed through the end of the current payroll period except for overtime. Overtime pay is paid bi-weekly and includes all overtime hours that are properly reported.

Employees may have their paychecks directly deposited into their bank accounts if they provide advance written authorization to The Company. Employees will receive an itemized statement of wages when The Company makes direct deposits.

#### ***E. Pay Deductions and Setoffs***

The law requires that The Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and Medicare withholdings, and amounts stated in garnishment orders. The Company also must deduct Social Security taxes on each employee's earnings up to a specified limit (called the Social Security "wage base"). The Company matches the amount of Social Security taxes paid by each employee.

The Company offers programs and benefits that employees are allowed to elect. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participating in these programs.

"Pay setoffs" are pay deductions made by The Company, either with employee authorization or as required or permitted by law for various purposes, such as to help pay off a debt or obligation to The Company or to third parties.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, the accounting department can assist in having your questions answered.

#### ***F. Pay Corrections***

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

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

#### ***G. Year-end Bonus***

Year-end bonuses are discretionary and based on an employee's performance, contribution to the firm, and the firm's profitability. Bonuses, if awarded, are usually paid out at the end of The Company's fiscal year, December 31, and included in the employee's W-2 compensation for that year. Employees who started within the current fiscal year may be paid a prorated bonus from

their start date. An employee must be employed on the last day of The Company's fiscal year, December 31, in order to receive any type of year-end bonus.

### ***H. Begetting Bonus***

The Company offers a begetting bonus to all non-Principal employees who successfully identify and recruit a new employee to the firm. Eligible recruits are considered to be associates who you would strongly recommend to the firm based on your personal knowledge of their skills and work ethic. Furthermore, the employee must not only identify and recommend the candidate, but also initiate the recruiting process with the recruiting team. Simple introductions of resumes to the firm would not be considered for a begetting bonus even if the recruit were hired.

Begetting bonuses are paid after the recruited employee has completed one year of service and is performing at a satisfactory level. Both employees must be employed by The Company on the begetted employee's anniversary date in order for the bonus to be awarded. Begetting bonuses are \$25,000 for consulting staff and \$3,000 for non-consulting staff.

### ***I. Revenue Bonus***

The Company offers a Revenue bonus to non-Principal employees who generate revenue. A 5% bonus of the fee revenue *received* will be paid to any employee who sells a project as part of the year-end bonus.

## ***IV. Employee Benefits at The Company***

Employees at The Company are provided a wide range of benefits. Eligibility may vary and is dependent upon a variety of factors, including employee classification. The office manager can identify the programs for which you are eligible. Details of many of these programs can be found in summary plan descriptions and certificate books available from the office manager.

The following benefit programs are available to eligible employees:

- Paid Holidays
- Paid Time Off Benefits
- Family/Medical Leave
- Personal Leave
- Military Leave
- Bereavement Leave
- Leave for Civic Responsibilities
- MBA Tuition Assistance
- After Hours Meal & Transportation Benefit
- Group Medical Insurance
- Dental Insurance
- Short-Term Disability Insurance
- Long-Term Disability Insurance
- Life Insurance
- Long-Term Care Insurance
- Benefit Conversion at Termination (COBRA)
- The Company, Inc. 401(k) Profit Sharing Plan

Some benefit programs require contributions from employees, but most are fully paid by The Company. In the event of any contradiction between the information appearing in this manual, our summary plan descriptions, or the information that appears in the master plan documents, the master plan shall govern in all cases. The Company reserves the right, at its discretion, to amend or terminate any of these programs or to require increases in employee premium contributions toward any of the benefits that may be offered.

In addition to the benefits listed below above, The Company also provides programs or benefits such as Social Security, workers' compensation, and unemployment insurance as mandated by law.

### ***A. Paid Holidays***

A schedule of holidays will be issued at the beginning of each fiscal year. The holiday schedule may vary depending on when the holidays fall on that year's calendar. The Company will grant holiday time off with pay to all employees on the ten (10) holidays listed below:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Day after Thanksgiving

- Christmas Eve
- Christmas
- New Year's Eve
- Floating Holiday

Holiday pay for full-time employees will be calculated based on the employee's straight-time pay rate (as of the date of the holiday). Holiday pay for a regular part-time employee is based on 60% for a regularly scheduled 24-hour workweek and 75% for a regularly scheduled 30-hour workweek at the employee's straight-time pay rate. Shortly after the corporate calendar is issued each year, the Floating Holiday should be scheduled and must be taken as a whole day. Employees hired after June 30 are not eligible for a floating holiday.

If an eligible non-exempt salaried employee is asked to work on a recognized holiday, he/she will receive holiday pay plus pay at his/her overtime rate for the hours worked on the holiday. If a recognized holiday falls during an eligible employee's paid vacation, holiday pay will be provided and that time will not be charged against that employee's vacation time.

## ***B. Paid Time Off Benefits***

Time off with pay is available to full time and part time employees to provide opportunities for rest, relaxation, and personal pursuits. The Company combines traditional "vacation", "sick", and "personal" time off into a single category called Paid Time Off (PTO) so that employees will have the flexibility to use time off as needed.

To schedule PTO, an employee should request advance approval from his/her supervisor or mentor. PTO will be scheduled based on a number of factors, including business needs and staffing requirements. Additionally, employees may not schedule more than 2 consecutive weeks of PTO at a time unless for extraordinary circumstances and with supervisor's approval (Mentor for exempt employees, Office Manager for non-exempt employees).

Any scheduled PTO must be approved and communicated at least 30 days in advance to all existing project team members, supervisors, and mentors. Non-exempt employees must notify the Office Manager, Production Coordinator, and their project teams at least 30 days in advance for vacation approval.

Absences in excess of that permitted by the PTO policy will be considered excessive and unacceptable and may lead to disciplinary action, up to and including termination of employment.

Exempt employees (i.e. employees who are employed in an executive, administrative, or professional capacity) are entitled to time off without loss of pay for rest or relaxation as necessity and project work schedules permit, but once all PTO is used up, exempt employees may have their pay docked for full days missed.

Full-time non-exempt employees receive Paid Time Off pay each year based on length of service according to the following schedule. PTO days should be budgeted to allow for at least 10 days off due to illness and other unexpected absences.

- The first year of eligible service, the employee is entitled to 20 Paid Time Off days each year accrued monthly.

- After 3 years of eligible service, the employee is entitled to 25 paid time off (PTO) days each year accrued monthly.
- After 5 years of eligible service, the employee is entitled to 30 PTO days each year accrued monthly.

Non-exempt employees may carry forward up to a maximum of 40 hours (5 days) unused PTO to the next year, which must be used or it is lost. Any additional time carried forward requires special written approval from the office manager.

The length of eligible service is calculated on the basis of an "anniversary year." This is the 12-month period that is measured from the employee's starting date or anniversary. Once the first calendar year is completed, employees will follow a calendar year accrual of PTO days. When an employee is eligible for additional PTO (after 3 years and 5 years of eligible service), the length of eligible service is pro-rated based on the employee's anniversary year. PTO pay is earned on a monthly basis. The Company will consider requests to take PTO in advance of its having been earned.

New employees do not start to accrue PTO until they have attained three months of service, but at the three month mark will be credited with having earned three months of PTO days.

Regular part-time non-exempt employees scheduled to work at least 24 hours/week are eligible for paid time off at 60% of the full-time benefit. Part-time non-exempt employees scheduled to work at least 30 hours/week are eligible for paid time off at 75% of the full-time benefit.

When a non-exempt employee's employment with The Company ends, he/she will receive payment for accrued and unused PTO earned through the last full month worked. For example, an employee who leaves the firm on May 10 will have earned Paid Time Off through the month of April. Any paid time off taken above and beyond time actually earned will be considered as a cash advance, and must be paid back to The Company.

Paid Time Off is paid at the employee's base pay rate at the time it is taken. It does not include overtime pay or any special forms of compensation such as incentives, commissions or bonuses.

### ***C. Leave of Absence Policies***

Employees at The Company may be eligible for the following types of leave of absences: family or medical leave, personal leave, military leave, bereavement leave, and leave for civic responsibilities.

Time off cannot be taken at the end of a Leave of Absence for a period of 30 days after the employee returns to work.

#### **1. Family and Medical Leave**

The Company complies with the Family and Medical Leave Act.

Employees of The Company may be eligible for up to twelve (12) weeks of family/medical leave (FML) during any 12-month period for any of the following reasons:

- For the birth of a child, and to care for that newborn child
- For placement with the employee of a child for adoption or foster care
- To care for the employee's spouse, child, or parent with a serious health condition

- Because of a serious health condition that makes the employee unable to perform the functions of the employee's job

For purposes of FML, "child" means (1) biological child, (2) adopted child, (3) foster child, (4) stepchild, (5) legal ward, or (6) child of a person standing *in loco parentis*, who is either (1) under age 18, or (2) incapable of self-care because of a disability.

- **Eligible Employees.** To be eligible for FML, an employee must be employed by The Company for at least a year and have worked 1,250 hours or more during the twelve months immediately preceding their request for FML.
- **Advance Notice Requirements.** Notice of leave should be given at least 30 days in advance when the need for FML is foreseeable, such as the birth or adoption of a child or planned medical treatment. Failure to give advance notice of foreseeable leave may result in denial of the request.
- **Computing the 12-Week Period.** Eligible employees may take no more than 12 weeks of FML in any rolling 12-month period, i.e. "stacking" of consecutive 12-week leave periods is not permitted. If a husband and wife both work for The Company, they are entitled to a combined total of 12 weeks leave (not 12 weeks each) where leave is taken in connection with a birth, adoption, or foster care placement.
- **Certification Requirements.** If an employee requests FML because of the employee's or a spouse's, child's, or parent's serious health condition, the employee must provide appropriate medical certification demonstrating a serious health condition. If leave is requested for an employee's own serious health condition, the certification must include a statement that the employee is unable to perform the functions of his or her position. In its discretion, and at its own expense, The Company may require a second medical opinion. If the first and second opinions differ, The Company may require the binding opinion of a third health care provider, approved jointly by the employee and The Company. Upon returning to work, the employee must present medical certification stating that he or she is able to resume his or her duties.
- **Limitations on Intermittent Leave.** To care for a family member with a serious health condition, or because of an employee's own serious health condition, an employee may take leave on an intermittent or reduced work schedule if such schedule is medically necessary. Intermittent leave counts on a pro rata basis toward the annual 12-week limit. Intermittent leave is not permitted for the birth or adoption of a child without The Company's express agreement. If an employee requests intermittent leave, or a reduced work schedule due to planned medical treatment, The Company may require the employee to temporarily transfer to an available alternative position for which the employee is qualified and which better accommodates recurring periods of leave than does the employee's regular position.
- **Benefits During Leave.** Subject to the terms, conditions, limitations and contribution requirements of the applicable plans, The Company will continue to provide access to the health insurance benefits it offers to similarly situated employees for the full period of the FML. However, employees on such leave must continue to pay any portion of benefit contributions they would otherwise pay as active employees. If an employee does not return to work after FML, The Company may require the employee to reimburse the full cost of coverage paid by The Company to maintain health benefits during the leave of absence, unless failure to return to work was for reasons beyond the employee's control.
- **Job Restoration.** Upon return from FML, an employee will generally be reinstated to the same or equivalent job with the same pay, benefits, terms and conditions of employment. Employees holding key management salaried positions (positions paying within the top 10% of all salaried and non-salaried employees) may be denied job restoration if reinstatement

would result in substantial grievous economic injury to The Company. Once the 12 week period elapses, employees will no longer have assurance that their job will remain open upon return from FML.

- **Leave Pay Policy.** FML is unpaid except for the birth or adoption of a child, and to care for that child. The Company will pay the employee their salary for up to 6 weeks of FML (Paid Leave Allowance). The remaining FML, up to 6 weeks, will be unpaid.

Employees must exhaust any earned and unused Paid Time Off and eligible Short-Term Disability before beginning paid or unpaid Family/Medical Leave. Time taken as paid or unpaid leave and short-term disability will count against both the Paid Leave Allowance and the annual 12-week allowance of Family/Medical Leave.

Paid Time Off benefits will not be earned during any unpaid FML.

## **2. Personal Leave**

The Company may grant a leave of absence without pay to a full-time or regular part-time employee who wishes to take time off from work duties to fulfill personal obligations that are not covered by the Family and Medical Leave Act.

Eligible employees may request a personal leave only after having completed 30 calendar days of service. As soon as an eligible employee becomes aware of the need for a personal leave of absence, he/she should request a leave from his or her mentor or Office Manager.

All earned and unused vacation time and personal days must be used before a request for personal leave will be granted.

Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence.

Subject to the terms, conditions, limitations and contribution requirements of the applicable plans, The Company will continue to provide health insurance benefits for the full period of the approved personal leave, as long as the employee makes arrangements to pay his or her share of premium costs during the leave.

When a personal leave ends, every reasonable effort will be made to return the employee to the same position as they previously held or to a similar available position for which the employee is qualified. However, The Company cannot guarantee reinstatement in all cases.

Upon return, only time worked during the calendar year will be considered with respect to salary review. Length of service will not be affected by an employee's personal leave and will be based on his or her first day employed by The Company. Benefits such as Paid Time Off, or holiday benefits, will not be earned during the leave and will resume upon the employee's return to active employment.

Failure to report to work promptly at the expiration of the approved leave period will be deemed a resignation by the employee.

Any leave of over 60 days will not be considered Personal Leave and will be treated as a termination and rehire when the employee returns to work

### **3. Military Leave**

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

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

Military leave is unpaid. However, employees may use any available paid time off for a military leave absence.

Continuation of health insurance benefits is available as required by USERRA for up to 24 months while in the military and subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible.

Benefits such as Paid Time Off, or holiday benefits, will not be earned or accrued during the leave and will resume upon the employee's return to active employment.

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

In accordance with the Illinois Family Military Leave Act (IFMLA), The Company allows up to 30 days unpaid leave for employees who are the spouse or parent of a person in the military during the time federal or state deployment orders are in effect. To be eligible for IFMLA, an employee must be employed by The Company and have worked 1,250 hours or more during the twelve months preceding their request for IFMLA.

Contact the Office Manager for more information or questions about military leave.

### **4. Bereavement Leave**

A regular full-time or part-time employee who wishes to take time off due to the death of a family member should notify his or her supervisor immediately.

Up to five (5) days of paid bereavement leave will be provided to eligible employees due to the death of an immediate family member and one (1) paid day due to the death of an extended family member.

"Immediate family" refers to the employee's spouse, domestic partner, parent, domestic partner's parent, spouse's parent, step-parent, child, step-child, and sibling. "Extended family" refers to an employee's brother- or sister-in-law or grandparent or grandparent-in-law, niece, nephew, aunt, or uncle.

Bereavement pay is calculated on the base pay rate at the time of absence.

## **5. Leave for Civic Responsibilities**

### **a. Time Off to Vote**

The Company encourages employees to fulfill their civic responsibilities by participating in elections. Generally, employees are able to find time to vote either before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, however, The Company may grant up to two (2) hours of paid time off to vote.

Employees should request time off to vote from their supervisor at least two working days prior to election day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift, whichever provides the least disruption to the normal work schedule.

### **b. Jury Duty**

The Company encourages employees to fulfill their civic responsibilities by serving jury duty when required. All employees are eligible for up to two weeks of paid jury duty leave over any one-year period. Jury duty pay equals the employee's daily rate of pay during his or her absence less pay received from the court for such service.

If an employee is required to serve jury duty beyond the period of paid jury duty leave, he or she may use any available paid time off (for example, vacation benefits) or may request an unpaid jury duty leave of absence.

An employee must show the jury duty summons to his or her supervisor as soon as possible so that the supervisor may make arrangements to accommodate his or her absence. Employees are expected to report for work whenever the court schedule permits.

Either The Company or the employee may find it necessary to request an excuse from jury duty if the employee's absence would create serious operational difficulties. The Company will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation, sick leave, and holiday benefits will continue to accrue during any period of jury duty leave less than 30 days.

### **c. Witness Duty**

The Company encourages employees to appear in court for witness duty when subpoenaed to do so.

If an employee is requested to testify as a witness by The Company, he or she will receive paid time off for the entire period of witness duty.

Employees will also be granted unpaid time off to appear in court as a witness when subpoenaed by a party other than The Company. Employees are free to use an appropriate available paid leave benefit (such as Paid Time Off) to receive compensation for the period of this absence.

The subpoena should be shown to the employee's supervisor immediately after it is received so that The Company can adjust for his or her absence. The employee is expected to report for work whenever the court schedule permits.

#### ***D. MBA Tuition Assistance***

The Company offers tuition assistance to those full-time and regular part-time employees continuing their business education by attending a full-time or part-time MBA program at a top tier academic institution.

Requests for tuition assistance must be submitted to the employee's mentor for approval by the The Company Principal Group. Approval is not guaranteed.

Tuition assistance is made in the form of a forgivable loan. Once the employee has completed two years of uninterrupted full-time employment with The Company after successful completion of the MBA program, the tuition loan and all accrued interest will be forgiven. Upon forgiveness of the loan, the amount forgiven is considered income and is taxable to the employee. Any resulting tax is the employee's responsibility.

Tuition assistance may be available for attending an approved MBA program at a top tier institution to:

- Employees already enrolled in a part-time MBA program at a top tier institution when they join The Company (up to 50% of total tuition costs may be reimbursed)
- New employees who have successfully completed an MBA program within 90 days of joining The Company (up to 50% of total tuition costs may be reimbursed)
- Full-time employees who wish to attend a full-time MBA program (prerequisite of 3 years uninterrupted full-time employment with The Company)
- Full-time employees who wish to attend a part-time MBA program while continuing to work full-time for The Company

Employees will be required to repay the loan plus accrued interest in full if:

- The MBA program is not successfully completed (degree conferred) on time (within 2 years full-time; 5 years part-time)
- The employee fails to complete two years full-time uninterrupted employment following successful completion of the MBA program
- If The Company is unable to provide the individual with full-time employment for any reason other than termination for misconduct, the loan will be forgiven.

Approval for tuition assistance is at the sole discretion of The Company. The Company reserves the right to review, adjust, or cancel this policy at any time.

#### ***E. After Hours Meal and Transportation Allowance***

The Company offers taxi vouchers for employees who work past 7:00 PM or weekends on client-billable work. The vouchers are located in the Office Manager's office.

Additionally, meals may be ordered for employees working past 7:00 PM or weekends on client-billable work at Company expense.

While there is no set limit for the cost of meals, employees are expected to limit their meal expenses to a reasonable cost (\$25 - \$30).

## ***F. Insurance Benefits***

### **1. Group Medical Insurance**

Group medical and dental insurance is available to eligible full-time and regular part-time employees who work at least 30 hours a week and to their eligible dependents upon the employee's election after 30 days of employment. The Company's health insurance carrier is The Guardian. Currently, The Company pays 100% of the insurance premiums. Employees are responsible for deductibles and other out-of-pocket co-pays and costs. Medical deductibles are \$500 per year for individual coverage and \$500 per person per year (up to \$1,500) for family coverage. Provider information may be obtained from Guardian's website at [www.phcs.com](http://www.phcs.com).

Further details of the medical insurance plan are described in The Guardian group certificate books for the plans. A group certificate book will be provided in advance of enrollment to eligible employees. Contact the Office Manager for more information about health insurance benefits.

### **2. Dental Insurance**

Dental insurance (non-orthodontic) is available for eligible full-time and regular part-time employees who work at least 30 hours a week and their dependents. Maximum coverage for the year is \$1,000 per person. Dental deductibles are \$50 per year for individual coverage and \$50 per person per year for family coverage.

Further details of the dental plan are described in The Guardian group certificate book.

### **3. Short-Term Disability Benefits**

The Company offers its employees a short-term disability (STD) benefit consisting of salary continuation for up to three (3) months to employees who are unable to work due to a non-occupational short-term disability (including pregnancy).

To be eligible for this benefit, an employee must be a full-time or regular part-time employee working at least 30 hours a week, and must have been employed by The Company for at least a year. The employee must also meet all requirements for obtaining a medical leave as set forth in The Company's Family and Medical Leave Policy as set forth above, including all requirements for providing medical certification demonstrating a serious health condition. Before being entitled to STD benefits, an employee must undergo a one-week waiting period during which he or she must first exhaust all earned and unused Paid Time Off. Employees who incur an occupational illness or injury, or who receive or are eligible for workers' compensation benefits for the illness or injury in question, do not qualify for STD pay. Employees may only qualify once for STD pay in any one continuous twelve (12) month period.

Short-Term Disability pay ceases at such time as an employee is able to return to work, or becomes eligible for Long-Term Disability benefits, Social Security benefits, or any other group disability or government plans, whichever is earlier. In no event will STD pay continue beyond three (3) months after a medical leave began. An employee who is on an extended disability leave is not guaranteed that he/she will be able to return to his/her job or an equivalent job after twelve (12) weeks.

#### **4. Long-Term Disability Insurance**

The Company provides long-term disability (LTD) benefits to help regular full-time employees and regular part-time employees who work at least 30 hours a week cope with an illness or injury that results in a long-term absence from employment. LTD is designed to ensure a continuing stream of income for employees who are disabled and unable to work. Generally, LTD benefits begin after STD benefits have been exhausted.

After a 90 day waiting period, LTD benefits are paid at 60% of total compensation (based on a three year average). LTD benefits are offset by amounts received under Social Security, workers' compensation, other government plans, other group disability plans, etc., for the same time period.

Coverage details and maximum benefits depend on the job classification of the individual employee. Details of The Company's LTD benefits plan, including benefits amounts and limitations of coverage, are described in The Guardian group certificate book provided to eligible employees. Contact the Office Manager for more information about LTD benefits. An employee who is on an extended disability leave is not guaranteed that he or she will be able to return to his or her job.

#### **5. Life Insurance and Accidental Death and Dismemberment Insurance**

The Company provides a basic life insurance plan and an accidental death and dismemberment plan for eligible full-time and regular part-time employees who work at least 30 hours a week for the financial protection of their families.

Life insurance offers employees and their families important financial protection.

Accidental Death and Dismemberment (AD&D) insurance provides protection in cases of serious injury or death resulting from an accident. AD&D insurance coverage is provided as part of the basic life insurance plan.

Coverage details differ depending on the job classification of the employee. Details of the basic life insurance plan including benefit amounts and limitations of coverage are described in The Guardian certificate booklet provided to eligible employees. Contact the Office Manager for more information about life insurance and AD&D benefits.

#### **6. Group Long-Term Care Insurance**

Group Long-Term Care Insurance is provided through UnumProvident upon the employee's election after 30 days of employment to help full-time and regular part-time employees who work at least 30 hours a week, plan for long-term care needs for themselves and their families. Coverage is Guaranteed Renewable.

The Company pays the employee premiums for the basic plan that includes monthly facility benefits, professional home and community care, and shortened benefit period. Additional coverage may be purchased by employees for themselves and their families.

Coverage details depend on the job classification of the individual employee. Details of the long-term care insurance plan including benefit amounts and limitations of coverage are described in the certificate booklet provided to eligible employees. Contact the Office Manager for more information about long-term care insurance benefits.

## **7. Health Benefits Continuation (COBRA)**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage at group rates under The Company's group health plan when a "qualifying event" would normally result in their loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; or a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at The Company's group rates, plus a small administration fee. The Company provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under The Company's health insurance plan. The notice contains important information about the employee's rights and obligations.

## ***G. The Company, Inc. 401(k) Profit Sharing Plan***

The Company, Inc. 401(k) Profit Sharing Plan provides employees the opportunity for financial security for retirement.

To be eligible to join the 401(k) savings plan, you must have completed one month of service, be 20 1/2 years of age or older, and be a full or regular part time employee working at least 24 hours a week. You may join the plan on the Entry Date (first day of the month) after you meet the participation requirements.

The Company may make a Profit Sharing Contribution to the Plan that fully vests immediately.

Because your contribution to a 401(k) plan is automatically deducted from your pay before federal and state tax withholdings are calculated, you save tax dollars now by electing to contribute from your pay. While the amounts deducted generally will be taxed when they are distributed, favorable tax rules typically apply to 401(k) distributions.

Complete details of the 401(k) savings plan are described in the Summary Plan Description provided to eligible employees. Contact the Office Manager for more information about the 401(k) plan.

## ***H. Workers' Compensation Insurance***

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

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

Employees who sustain work-related injuries are also eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities and the provisions of The Company's leave policies.

## ***V. Work Rules at The Company***

### ***A. Attendance and Punctuality***

To maintain a productive work environment, The Company expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on The Company. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor, office manager, project director, and/or mentor as soon as possible in advance of the anticipated tardiness or absence, but in no event later than 30 minutes prior to the scheduled start of their workday. The direct supervisor must also be contacted on each additional day of absence unless and until a leave of absence has been approved setting an expected date of return from leave.

In all instances where an employee is absent for three or more consecutive days due to illness or injury, a physician's statement must be provided verifying the illness or disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well (see preceding section of this Manual) and may be required as a condition to receiving sick leave benefits. Before returning to work from a sick leave absence of three calendar days or more, an employee must provide a physician's verification that he or she may safely return to work.

Poor attendance and excessive tardiness are disruptive. So is failure to follow the call-in procedures to report absences. Either may lead to disciplinary action, up to and including termination of employment.

### ***B. Rules of Conduct***

Every organization has to have rules in order to ensure the well-being of all. No list can include all instances of conduct that can result in discipline. However, our guidelines are based on common sense and do not replace our expectation that each employee will exercise the sound judgment, common courtesy, and good taste which everyone should apply while at work. The seriousness of the offense and the surrounding circumstances will determine the level of discipline given, and The Company reserves the right to impose appropriate disciplinary action for any form of disruptive or inappropriate behavior. Therefore, in some instances, a person could be suspended or even terminated on the first offense.

Examples of the types of conduct that could lead to progressive discipline are as follows:

- Violation of attendance standards.
- Failure to follow Company policy and/or supervisory instructions.
- Abuse of break and meal-time and/or unauthorized absence from work.
- Wasting time, loafing on the job, visiting excessively with fellow employees during working hours.
- Misuse of Company property or equipment.

Examples of the types of conduct that could lead to immediate termination are as follows:

- Theft of Company or co-worker property.

- Bringing firearms or other dangerous weapons onto Company property.
- Possessing, selling, purchasing, and/or using alcohol, illegal drugs, and/or controlled substances on Company premises.
- Reporting to work under the influence of alcohol and/or controlled substances.
- Falsifying information on your employment application or any other official document, including time and production records, or any other form of dishonesty.
- Fighting or other disruptive conduct on Company premises.
- Failure to report absence or to return from the leave of absence on the dates specified.
- Violation of Company confidentiality provisions.
- Insubordination such as repeated refusal to perform a reasonable request from management.
- Using abusive or threatening language to clients, supervisors, subordinates, or fellow employees.
- Speaking negatively about The Company, its products or services, or its personnel in communications with third parties

As stated previously, this list does not include all types of conduct for which discipline can be expected. However, this list and your own common sense should serve as a guide for you to follow. When in doubt, consult your supervisor or mentor.

Remember, as stated earlier in this Manual, *all employees are employed at will unless covered by a written contract expressly providing otherwise*. Nothing changing that policy is intended or implied by virtue of the preceding rules.

## ***C. Drug and Alcohol Policy***

### **1. Purpose**

The Company is committed to programs that promote safety in the workplace and employee health and well being. Consistent with the spirit and intent of this commitment, The Company has developed this policy statement regarding the sale, use, possession or distribution of drugs and alcohol by The Company's employees.

Involvement with drugs and alcohol, both on and off the job, can adversely affect job performance, jeopardize the safety of others, and undermine confidence in The Company. A comprehensive drug and alcohol policy is necessary to ensure that The Company continues to fulfill its responsibilities to both its employees and its customers. Our goals are to establish and maintain a work environment that is free from the effects of drug and alcohol use.

### **2. Policy**

(a) *Use, Possession, Transportation, Distribution, Sale*. The use, possession, distribution or sale of illicit drugs or alcohol by anyone while on Company premises is absolutely prohibited. In addition, The Company prohibits any employee being at work under the influence of drugs or alcohol. Violation of this rule by an employee while on Company business or premises will be

cause for disciplinary action up to and including discharge, and referral to law enforcement agencies where there is a criminal violation.

(b) *Testing for Drugs/Alcohol in System.* The Company reserves the right to request blood or urine samples or other medical tests as may be taken and screened by a laboratory for the presence of illicit drugs or alcohol: (a) whenever an individual's observed behavior raises any questions about his or her physical condition and fitness to perform his or her job; (b) whenever an individual is involved in an on the job accident or injury; or (c) whenever an individual has left work either through layoff, resignation, termination or leave and is about to re-enter the work force. Refusal of any individual to give a blood or urine sample will result in appropriate disciplinary action up to and including discharge.

(d) *Over-the-Counter or Prescribed Medications.* Consumption of over-the-counter drugs or medication prescribed by a licensed medical physician is excluded from the rules set forth above. However, for safety and health reasons, an employee who takes any over-the-counter or prescription drug or other medication that may affect work performance must inform his or her supervisor. If he or she fails to do so, he may be disciplined up to and including discharge for violating this safety requirement.

(e) *Reporting Violations.* It is each employee's responsibility to immediately report unsafe working conditions or hazardous activities that may jeopardize his/her safety or the safety of fellow employees. This includes reporting any violation of the Drug and Alcohol Policy. An employee who fails to report such a violation may himself be subject to discipline up to and including discharge.

## ***D. Personal Appearance***

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

During business hours or when representing The Company, you are expected to present a clean, neat, and tasteful appearance. You should dress and groom yourself according to the requirements of your position and accepted social standards. This is particularly true if your job involves dealing with clients or visitors in person.

If your supervisor feels your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstance, you will not be compensated for the time away from work. Consult your supervisor if you have questions as to what constitutes appropriate appearance. Where necessary, reasonable accommodation may be made to a person with a disability.

### **1. Guidelines for Business Casual Dress at The Company**

#### ***Appropriate Dress***

##### **Tops**

- long-sleeved/short-sleeved dress/sport shirts
- long-sleeved/short-sleeved blouses
- button-down/banded-collar shirts
- polo shirts/rugby shirts
- sweaters/vests

#### ***Inappropriate Dress***

##### **Tops**

- T-shirts
- sweatshirts
- halter/tank tops
- midriff tops

##### **Bottoms**

**Bottoms**

- Slacks/khakis
- skirts with/without hose

**Shoes**

- sandals
- loafer/dress shoes
- flats/heels/pumps
- dress boots

**Miscellaneous**

- dresses/jumpers

**Accessories**

- ties/scarves
- dress socks/hosiery

**Jackets**

- suits/sport coats/blazers

- sweatpants
- shorts/skortts
- spandex/leggings/stirrup pants
- jeans of any color

**Shoes**

- beach sandals/flip-flops
- athletic/tennis/canvas shoes
- walking and hiking boots
- all-weather boots

**Miscellaneous**

- tight, short or low-cut clothing
- overalls
- exercise apparel/running suits
- very sheer clothing
- ripped or patched clothing

### ***E. Problem Resolution***

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

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

If an employee should disagree with an established rule of conduct, policy, or practice, he or she can express their concern through the problem resolution procedure. No employee will be penalized, formally or informally, for voicing a complaint with The Company in a reasonable, business-like manner.

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

## ***VI. Code of Ethics at The Company***

### ***A. Business Ethics and Conduct***

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

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

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

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

Compliance with this policy of business ethics and conduct is the responsibility of every The Company employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

### ***B. Conflicts of Interest***

Employees have an obligation to conduct business within guidelines that minimize the risk of the development of actual or potential conflicts of interest.

Transactions with outside firms must be conducted within a framework established and controlled by the upper management of The Company. Business dealings with outside firms should not result in "unusual gains" for those firms or for the employee personally. "Unusual gains" refers to bribes, product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit either the customer, the employee, or both. Promotional plans that could be interpreted to involve unusual gain require specific executive-level approval.

No "presumption of guilt" is created by the mere existence of a personal relationship with outside firms. However, employees who play any role on The Company's behalf in any transaction involving purchases, contracts, or leases, they must disclose to an officer of The Company as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

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

### ***C. Outside Employment***

Outside employment is not allowed if it may present a conflict of interest or if it has an adverse impact on The Company. Otherwise, an employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with The Company. All employees will be judged by the same performance standards and will be subject to The Company's scheduling demands, regardless of any existing outside work requirements.

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

### ***D. Non-Disclosure of Obligations***

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

- Compensation data
- Computer programs and codes
- Client Lists and Contacts
- Client Preferences
- Financial Information
- Employee Relations Strategies
- Marketing Strategies
- Pending Projects and Proposals
- Proprietary Intellectual Property
- Research and Development Strategies
- Marketing Construct Prototypes
- All Reports and Communications to and from Clients
- Partnerships/Proprietary Relationships

Employees may not disclose any such confidential information to anyone outside The Company's organization nor may they use such information for their own personal benefit, even after they leave The Company for any reason. To further emphasize this, certain employees who are exposed to confidential information may be additionally required to sign a non-disclosure agreement as a further condition of employment. Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

## ***VII. Safety, Health and security policies at The Company***

### ***A. Security***

The Company wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, The Company prohibits the possession, transfer, sale, or use of such materials on its premises. The Company requires the cooperation of all employees in administering this policy.

Desks and other storage devices are provided for the convenience of employees but remain the sole property of The Company. Accordingly, any agent or representative of The Company can inspect them at any time, either with or without prior notice.

The security of the facility is ultimately everyone's responsibility. If you see an individual within the facility who is not a CAMBRIDGE GROUP employee, stop him or her, ask the nature of his or her business and direct him or her to the reception area to sign in if he or she hasn't done so already. If you have been issued keys to unlock various doors, equipment, etc., within the facility, it is your express responsibility to leave them locked at all times.

### ***B. Workplace Violence Prevention***

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

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances may not be brought onto the premises of The Company without proper authorization.

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

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

The Company will promptly and thoroughly investigate all reports of threats or acts of violence and of suspicious individuals or activities. The identity of the individual making a report will be kept confidential to the extent possible.

Anyone determined to be responsible for threats or acts of violence or other conduct that violates these guidelines will be subject to prompt disciplinary action up to and including termination of employment.

The Company encourages employees to bring their disputes or differences with other employees to the attention of their supervisors/mentors or the Office Manager before the situation escalates

into potential violence. The Company will assist in the resolution of employee disputes, and will not discipline employees for raising such concerns.

### ***C. Smoking***

In keeping with The Company's intent to provide a safe and healthful work environment, smoking is prohibited in The Company's offices.

### ***D. Catastrophic Illnesses***

The Company is committed to maintaining a healthful work environment for all employees, as well as providing support for individual employees who may be facing the trauma of a life-threatening or catastrophic illness, such as cancer, heart disease, multiple sclerosis, hepatitis, tuberculosis and AIDS.

Our policy is to promote the physical and emotional health of all employees with a life-threatening or catastrophic illness. In addition, The Company has a continuing commitment to reasonably accommodate employees with disabilities.

As a general principle, The Company recognizes that an employee facing a life-threatening or catastrophic illness may wish to continue working as long as he or she is able to do so. He or she will be permitted to continue to work as long as he or she can perform the essential functions of his or her job without imposing any undue risk to his or her own health or the health of other employees, then he or she may be eligible for leave as specified in the "Leave" section of this Manual.

The Company will make reasonable accommodations for an employee with a life-threatening or catastrophic illness as long as such accommodations do not impose an undue hardship on The Company.

Employees who have a serious disease or condition should promptly report it to management and supply all pertinent requested medical documentation. The Company reserves the right to ask its appointed physician to determine if the employee is able to work and poses no threat to himself or herself or to others. The Company will maintain the confidentiality of the diagnosis and medical records of all employees with serious diseases consistent with its obligations under the law.

## ***VIII. Administrative Policies and Procedures at The Company***

### ***A. American Express Corporate Card***

The American Express Corporate Card is made available to The Company employees who travel on company business or who may make purchases on behalf of The Company. For the convenience of the employee, expenses are billed directly to The Company. The AMEX corporate card must be used only for business related expenses and employees are responsible for all purchases made using the AMEX Corporate Card.

Expense reports must be submitted at least twice a month for expenses billed against the AMEX Corporate Card. Delinquent reporting of expenses may result in disciplinary action including loss of corporate card privileges.

A “1250 Report” is available monthly from Accounts Payable detailing outstanding expenses that have not been reconciled via an expense report. All outstanding expenses on the 1250 Report must be reconciled within two weeks after receipt of the report.

Upon resignation or termination of employment, the AMEX Corporate Card will be cancelled. The terminating employee will be responsible for any and all expenses that have not been submitted on an expense report and remain outstanding. In order to be reimbursed, Out-of-Pocket expenses must be properly submitted on a timely basis.

### ***B. Visitors in the Workplace***

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

All visitors should enter The Company at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct of their visitors. If an unauthorized individual is observed on The Company's premises, employees should immediately notify their supervisor or the Office Manager.

### ***C. Use of Phone and Mail Systems***

Employees are permitted to use Company phones for personal calls within reason. Personal phone calls should be kept as short as possible.

The mail system is reserved for business purposes, however employees may send personal mail if they reimburse The Company and it does not interfere with company business.

To ensure effective telephone communications with customers and the general public, employees should always use the The Company standard approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

## ***D. Electronic Communications Policy***

The Company provides its employees with various electronic systems and services, including email, voice mail, network access systems, fax machines, copying machines, telephones, and computers with Internet/Intranet access. Its purpose in doing so is to provide the latest technology and resources in order to make everyone more productive.

To help achieve that result, it is important for everyone to become proficient in the use of these resources, including the Internet. For that reason, The Company does not object to reasonable experimentation. In so doing, however, each of you should be aware of the following:

1. *Ownership*: All of these systems, including email and those accessing the Internet/Intranet, belong to The Company and are intended for The Company's use exclusively.
2. *Scope*: These guidelines apply to *all employees, including those who work from home*, whether on employer-provided or personally owned laptops, computers, or other equipment.
3. *Company's Rights*: The Company reserves the right to monitor its information systems and access all electronic information, including messages, whether or not such information is personal or Company-related. No advance consent or notification is required. The Company also monitors user access to the Internet/Intranet. This means that The Company will know how much time each of you spends on the Internet/Intranet and which sites you contact. As to information transmitted or received through these services, The Company reserves the right to reveal such information to individuals with a bona fide need-to-know, such as management, law enforcement agents, and others.
4. *Permitted Use*: Reasonably limited personal, non-business use of these resources, including the Internet, is acceptable. Prolonged non-business use is not. Under no circumstances is anyone to access sexually oriented sites. Similarly, the creation of web pages, posting "chain letters," accessing Internet auction sites (e.g. E-Bay), loading games, screen savers or running other programs (e.g., Napster, SETE) are not considered an appropriate use.
5. *E-Mail Attachments*: For security and efficiency, no one within The Company should attach a file to any internal email. A hyperlink to the file should be inserted. If you receive an external email with an attachment, you should first save the file to the file server, delete the attached file and insert a hyperlink to the file before forwarding the email internally.
6. *Privacy and Content*: All emails are public and not private. Thus, as stated above, they can be and regularly are monitored by The Company. All emails are regularly archived so that a backup copy and the ability to recreate the message exists. *Therefore, do not send any messages on a communication system that you would not be comfortable putting in a memo or letter for general distribution.*
7. *Posted Information*: No information may be posted to the Internet without Company approval.
8. *Illegal Activities*: Use of electronic communication services for any illegal activities are strictly prohibited including infringing copyrighted material, harassing other users, accessing or distributing threatening or obscene material, intentionally spreading computer viruses, deliberately disrupting service, breaking into a computer system, or using resources or accessing or destroying data belonging to The Company or any other organization or individual. The employee will be held personally liable for violations of these services, including discrimination and harassment.

9. Security: Only Company-approved software may be used on these systems. Account identification and passwords are strictly for the use of the registered user and should not be shared or made accessible to others.
10. Misaddressed Messages: Misaddressed messages should not be opened, copied, retained, or disclosed. Such messages should be deleted and the sender notified, if possible, of the deletion.
11. E-mail Retention: E-mail is not intended to be a permanent archive of communication. Email messages should be promptly deleted after use. Messages contained in email in-boxes should be kept for no more than 30 days. E-mail messages stored in folders or archived should be maintained only so long as they remain in use and should thereafter be deleted unless otherwise directed by The Company.
12. Disciplinary Action: Violations of these guidelines and abuse of these systems can result in disciplinary action, up to and including termination.
13. Right to Modify: The Company reserves the right to modify these guidelines at any time.

### ***E. Notebook Computer Policy***

The Company may issue a notebook computer and appropriate accessories to employees. Upon receipt of the computer, the employee agrees to take reasonable care of the notebook. Any damage to the notebook, which The Company views as irresponsible, will result in repair of the computer at the employee's expense.

No company data should be kept on the hard drive of the issued notebook. It is the employee's responsibility to transfer any data saved on the hard drive to The Company's server including email and all working files as soon as possible and in no event less frequently than on a weekly basis. If damage or failure to the hard drive occurs due to employee's lack of reasonable care of the notebook, it is the employee's responsibility to reimburse The Company for the recovery expense of the data. If the data cannot be recovered the employee will be responsible for any damages incurred.

Upon leaving the firm, the employee agrees to return the issued notebook and all its accessories to The Company. If the notebook is not returned or any of its accessories, the employee will reimburse The Company for the replacement value of the equipment.

### ***F. Hiring of Relatives and Inter-Office Relationships***

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with our employee is similar to that of persons who are related by blood or marriage. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

If a relative relationship is established after employment between employees who are in a reporting situation, it is the responsibility and obligation of the supervisor involved in the relationship to disclose the existence of the relationship to management.

In other cases where a conflict or the potential for conflict arises because of the relative relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment.

The Company has found that intimate relationships between employees who work in a superior/subordinate capacity, even when consensual, may cause serious conflicts and problems with favoritism and employee morale. The Company reserves the right to take the appropriate action necessary when it determines that the efficient operation of the business is or may be adversely affected by the existence of such a relationship.

Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

### ***G. Personnel Data Changes***

It is the responsibility of each employee to promptly notify The Company of any changes in their personnel data. Changes in personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, and other such matters should be reported immediately to the Office Manager.

### ***H. Employment Termination***

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

- **Resignation or retirement** – a voluntary act initiated by the employee to terminate employment with The Company. Although advance notice is not required, The Company requests the consideration of at least two weeks written resignation notice from all employees.
- **Discharge** - involuntary employment termination initiated by the organization.
- **Layoff** - involuntary employment termination initiated by the organization for economic reasons.

Since employment with The Company is based on mutual consent, both the employee and The Company have the right to terminate the employment relationship, with or without cause, at any time.

### ***I. Return of Property***

Employees are responsible for all company property, materials, or written information issued to them or in their possession or control. Employees must return all company property immediately upon request or upon termination of employment.

## ***Employee Manual Receipt and Acknowledgment***

I have received a copy of the The Company Employee Manual and understand that I am under an obligation to read it or have it read to me carefully. I understand that I am to abide by all the Manual's rules, policies, terms and conditions, and agree to abide by them, realizing that failure to do so may result in disciplinary action and/or termination. I also understand that this Manual supersedes all previous written and unwritten policies, including any previous Manuals. I understand and acknowledge that I am an employee-at-will and that both The Company and I remain free to end the employment relationship at any time for any reason or no reason.

I understand that nothing in this Manual in any way creates an express or implied contract of employment between The Company and me. I also understand that my at-will employment status cannot be changed unless through a written agreement signed by an officer of The Company.

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Employee's Signature

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Date

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Employee's Name (Printed)

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The Company Representative

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Date