

# ***Important Information Every Employee Should Know***

NOTE: Please read this section carefully. It provides important information about your employment relationship with Pickering Associates (The Company.)

Revision                      March 1, 1998  
Revision                      January 29, 1999: Employee Benefits – PTO Time.

## **PURPOSE OF THIS HANDBOOK**

This handbook is designed to acquaint you with Pickering Associates (Company) and provide you information about working conditions, employee benefits, and some of the practices affecting your employment with us. It describes many employee responsibilities and company practices, and also outlines the programs developed for your benefit.

This handbook is **not** intended as an employment contract (expressed or implied) and accordingly shall not be considered as such. Nothing in this handbook should be relied upon as a guarantee for certain privileges, working conditions, or continued employment.

## **WHO IS COVERED BY THIS HANDBOOK?**

This handbook applies to all employees of Pickering Associates except those covered under a union contract, and those employed outside of the United States. Employees who are part of a legally elected bargaining unit, recognized by the National Labor Relations Board (NLRB), will be covered by the current union contract. Employees who are employed outside of the United States will be covered by the policies, procedures, and practices of their assigned office, as well as relevant laws of the country where they are assigned.

## **OUR AT-WILL EMPLOYMENT RELATIONSHIP**

You have voluntarily entered into your employment relationship with us, and accordingly are free to resign at any time, with or without cause or reason, with or without prior notice. Similarly, we may terminate this relationship at any time, with or without cause or reason, with or without prior notice. This mutual relationship is called "employment at-will." In accepting or continuing your employment with us, you agree that our relationship is, and always has been, strictly voluntary and at-will on both sides. Nothing in this handbook, or in any other document issued by the Company or its representative(s) will alter this at-will relationship except a written contract for that express purpose, which is signed by both you and the Vice President Operations or President of Pickering Associates.

You should not rely on verbal comments made by anyone in the Company as a guarantee for specific privileges, working conditions, or future employment. Our at-will relationship may only be changed by written contract for that express purpose. Such a contract is only valid if signed by you and the Vice President Operations or President of Pickering Associates.

## **ARBITRATION**

Any and all employment related disputes between you and the Company shall be resolved through binding arbitration as governed by the Federal Arbitration Act.

In this process, an American Arbitration Association registered arbitrator will hear both sides of the issue and render a decision. The decision will be binding on both you and the Company. The cost incurred for the arbitration will be paid by the Company. You may be represented by outside counsel at the arbitration hearing, however, you shall pay your own attorney fees unless the award is made in your favor. If the ruling is in your favor, Pickering Associates will then pay reasonable attorney fees. For more information about arbitration, contact the Company Vice President.

While we hope that disputes between you and the Company do not arise, we have provided this provision as a means of efficiently settling disputes. Nothing in this provision, however, should be construed as altering our employment-at-will relationship.

All employees are required as a condition of their employment to sign the arbitration agreement provided to them by the Company.

## **EFFECTIVE DATE**

Effective March 1, 1998 this handbook supersedes all prior human resource policies, verbal communications, staff meeting minutes and/or management memos which may have been previously issued on subjects herein.

## **HANDBOOK CONTENTS AND REVISIONS**

This handbook is provided as a description of generally accepted guidelines and common practices. Because it is not possible for us to foresee all situations that might arise, we reserve the right to deviate from the guidelines and practices outlined in this handbook, if in our sole judgment, such deviation is warranted based on the facts of a particular situation.

No employee handbook can anticipate every circumstance or question. Accordingly, we may need to change the practices and guidelines described in this handbook. We reserve the right to do so at our sole discretion. Revisions may include changing, rescinding, or adding to any procedures, benefits, or practices described in this handbook. Revisions may be made without prior notice to employees. It is your responsibility to keep your personal copy of the handbook up-to-date by immediately inserting revisions when issued.

If other verbal or written communications issued prior or subsequent to the distribution of this handbook appear to change any of this handbook's contents, the guideline(s) set forth in this handbook will be considered the official position/practice of the company until such time that a written revision of handbook contents, signed by the Vice President, is issued. Changes in our procedures, benefits or practices will not change our mutual "at-will" relationship, except by a written agreement that has been drawn up specifically for that purpose which is signed by yourself and the Vice President Operations or President of Pickering Associates.

## **YOUR RESPONSIBILITY REGARDING THIS HANDBOOK**

Employees, including temporary employees from manpower organizations, are expected to read, understand, and comply with the guidelines set forth in this handbook. This handbook is the property of Pickering Associates and should not be provided to individuals who are not our employees. These handbooks shall remain on file at Pickering Associates office and be removed only with the permission of your supervisor. Upon termination, you must return to your supervisor, this handbook and all other Company property before your final departure.

## **OTHER FORMS OF COMMUNICATION**

We recognize that our continued success depends in large part on you. We value our good relations with employees as a sound business practice in the best interest of all of us. To a very large extent, good relations means good communications, verbal and written, up, down, and sideways throughout the Company.

Communications is a significant part of our success. We must work daily to keep the lines of communication open. This requires that everyone ask questions, give complete information, and express their concerns openly. Good communication requires courtesy and respect. When discussing issues with others, we expect that you will listen carefully to the other party(ies), respect their right to an opinion, and *politely* express your views to ensure that all communications are effective.

In addition to this handbook, communications of general interest will be announced verbally at staff meetings, by e-mail, and/or on the bulletin board. The bulletin board and e-mail is for company use only. "Old" notices are cleared off of the bulletin board periodically. To keep fully informed, regularly read the communications posted on e-mail or the bulletin board. Employees may not post notices of a personal nature, etc.g., party invitations, items for sale, and/or invitations to meetings outside work, on the bulletin board or e-mail.

To further ensure that our internal communications are effective, periodic staff meetings will be held. Meeting dates and times will be posted on the bulletin board and/or e-mail.

All employees are expected to attend staff meetings.

In the event that business travel, customer emergencies, illness, scheduled vacation, or other excused absences prevent attendance at a staff meeting, you are expected to obtain permission in advance for absence and upon return request from your supervisor a briefing of the missed staff meeting.

You are encouraged to contribute to the meetings both through active participation in discussions, and by recommending agenda topics. Suggestions for agenda topics should be given to your supervisor.

## **WHAT IS EXPECTED OF PICKERING ASSOCIATES EMPLOYEES**

To ensure quality customer service, each Pickering Associates employee is expected to:

- Read and follow the guidelines established in this handbook and other Company manuals or management memos.
- Perform duties as assigned by management. At Pickering Associates there is no such thing as, "*It's not my job.*" Doing whatever is necessary to meet company and customer needs is **everyone's** job.
- Always conduct himself or herself in a polite, professional manner, treating customers and co-workers courteously and respectfully.
- Dress appropriately for the job as outlined under *Appearance, Personal Conduct, and Service to Our Customers.*
- Be on-time for meetings and appointments, and deliver work projects by assigned due dates (or deadlines).
- Maintain assigned work areas in a clean and orderly fashion.
- Conduct a safety check of assigned equipment before beginning work.
- Immediately report any problems with equipment or customers to management.
- Perform all job duties safely.
- Produce quality work with minimal errors.
- Meet production goals or standards as set by management.

- Provide honest, truthful, and accurate information regarding your work history, education, and training. Falsification of employment records (including pre-employment data such as your resume or employment application), time records, expense reports, and other company records is grounds for corrective action up to and including immediate termination regardless of length of employment when the falsification is discovered.

## **ETHICS AT PICKERING ASSOCIATES**

Employees are expected to adhere to the highest standards of personal, professional, and business ethics, and to always use common sense and good judgment about the way they conduct themselves when on duty or representing the Company. Honesty, respect and care in dealings with others on the job, in performing your duties, and in dealings with customers, vendors, and visitors should be standard benchmarks of your behavior. It is important to avoid even the appearance of unethical behavior in all business relationships, both foreign and domestic. Pickering Associates business success **does not** require unethical actions, and we **do not** condone such conduct. Please contact your supervisor, the Vice President of the President with any questions or concerns you have regarding business ethics at Pickering Associates. Engaging in unethical conduct shall result in corrective action up to and including termination of employment. "Unethical conduct" includes but is not limited to:

- Engaging in business conduct which is damaging to our reputation;
- Disclosing or misusing trade secrets or confidential or proprietary information belonging to the Company or our customers;
- Promising or giving something of value to anyone doing or seeking to do business with us in order to influence them in matters relating to us;
- Accepting gifts, entertainment, services, or other benefits where the purpose is to unduly influence our business decisions. Gifts or benefits valued at over \$50.00 or lasting for more than one day may not be accepted without the expressed permission of your supervisor;
- Selecting vendors based on non-business reasons, such as personal or former non-business relationships;
- Directing business to a relative, friend, or company in which you or one of your family members has a direct or indirect financial or personal interest.
- Representing or discussing Company affairs with the media without proper authorization;

- Undermining business decisions, unless they are perceived to be illegal or dishonest;
- Engaging in other illegal activity; and,
- Using Company confidential information or trade secrets, facilities and supplies, and/or merchandise for personal gain.

## **JOB DUTIES AND WORK ASSIGNMENTS**

Our environment is selling a service that is production and quality oriented. Based on the needs of our customers, we routinely commit to projects with tight timetables. To successfully deliver on these commitments we need the shared energies of all of our employees. Accordingly, consistent effort is required from everyone.

Your supervisor is available to offer advice and guidance regarding the completion of your work and as a result, needs to hear your questions, suggestions, and constructive ideas.

Mutual understanding is important to doing a quality job; cooperative attitudes lead to productive teamwork. You are encouraged to ask questions and offer ideas which you feel contribute to our mission of being the best in our industry.

To ensure that our customers are provided the best possible service, work assignments are based on matching employee qualifications with customer and company needs. From time to time it may be necessary to reassign you to a different department, work team, or job responsibility. In addition to routine job duties, you may be assigned special projects which may include working at a different location. Work assignments are at the sole discretion of company management.

We also reserve the right to set work schedules as deemed necessary to maintain quality customer service and efficient day-to-day operations. This may require altering starting and ending times and/or total hours scheduled to work.

## **WORK HOURS**

Work hours will be established by each supervisor as needed to meet company and customer needs. From time to time additional hours ("overtime") may need to be worked (*e.g.*, to meet deadlines, properly support customers, etc.). Regardless of position, employees are required to work additional hours on an "as needed" basis.

Non-exempt (hourly) employees will be paid overtime as outlined under Overtime Compensation.

Exempt (salaried) employees are paid a base salary for performance of their duties as

opposed to payment for actual time worked. Accordingly, exempt employees are **not** eligible for overtime pay.

During work hours employees are expected to be fully prepared to work, fully exercise their responsibilities, and perform their duties in a thorough, professional, and efficient manner.

Although general office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday, for the purposes of calculating non-exempt (hourly) overtime pay:

- **The official work week** begins at 12:01 a.m. Monday morning and runs through midnight the following Sunday. Hours worked include all time spent working on company business (either at our facility or at a customer site).
- **The official work day** begins at 12:01 a.m. and runs through midnight of the same day.
- **Meal periods** - each day employees working at least five hours are entitled to one hour unpaid time off for a meal break. Meal periods will be coordinated by your supervisor.
- **Breaks** - non-exempt employees are entitled to a 15 minute paid break for each four hours worked. Breaks should be arranged with your supervisor. Breaks are provided so that employees can attend to personal matters such as getting a snack or something to drink (refreshment), using the restroom, smoking in designated areas, and making unavoidable personal phone calls.

## **Flex-Time**

In some parts of the Company, the nature of the work may be conducive to flex-time. Flex-time is a benefit which allows employees to be flexible in when they start and end their work day. Generally, employees working on flex-time must report to work some time between 6:30 and 9:30 a.m. Flex-time employees are expected to work a full 8-hour work day unless they are a part-time employee normally scheduled to work less than 8 hours. For example, if a full-time employee working flex-time begins his or her work day at 7:00 a.m. and takes 1/2-hour off for lunch, he or she is expected to work until 3:30 p.m.

Flex-time is provided at the sole discretion of each supervisor. Each supervisor has the right to grant or not grant the flex-time option and establish the flex-time guidelines for his or her work unit. For further information about whether or not this option is available to you, speak with your supervisor.



## **EQUAL EMPLOYMENT OPPORTUNITY, DISABILITY AND RELIGIOUS ACCOMMODATION**

We are an Equal Opportunity Employer (EOE). Accordingly, we promote equal opportunity in the areas of recruitment, employment, training, development, transfer, and promotion. Our employment practices are without regard to race, color, religion, creed, sex, age, disability or medical condition, national origin, and veteran status, and all other categories protected by federal, state, and local anti-discrimination laws.

Additionally, in keeping with the spirit of the Americans with Disabilities Act and the religious discrimination provisions of Title VII of the Civil Rights Act, we will make appropriate accommodations for employees with qualified disabilities or religious needs, whenever possible, as long as the accommodation does not cause the Company or other employees undue hardship.

### **Disability Accommodation**

If you require accommodation for a medical condition or disability, contact your supervisor so we can evaluate if and how we may accommodate your needs. We will make every effort to handle your request for disability accommodation sensitively and to protect the confidentiality of the information you share with us whenever possible.

### **Religious Accommodation**

If possible, we will allow time off without pay to observe religious holidays that are not otherwise company holidays. Requests for time off for bona fide religious observances will be considered on a case-by-case basis. So that we can reasonably accommodate your request, you must notify your supervisor of your request to take time off to observe a religious holiday at least three weeks before the date of your planned absence. If vacation time is available, you may use it for the observance of such holidays, otherwise, such time off is without pay.

*NOTE: This policy applies only to religious holidays. It does not apply to regular weekly days of worship. If an employee's regular work schedule falls on his/her worship days, generally he/she will be required to work as scheduled. Questions regarding work schedule/worship day conflicts should be directed to your supervisor for an interpretation.*

### **Reporting Discrimination**

If you feel that you are a victim of discrimination **immediately** report it to the President or Vice President, even if you have discussed it directly with the individual(s) involved. Please provide the following information when reporting discrimination.

- 1) Date(s), time(s), and location(s) of the incident/incidences that took place;
- 2) Description of each incident: etc.g., was any physical contact made?, what was said and/or done?, etc.;
- 3) Name(s) of anyone present during each incident and anyone with whom you've discussed the incident/incidences.

All complaints of discrimination will be investigated and the results of the investigation will be reported to the complaining party. Investigation of a discrimination complaint may include, but is not limited to, interviewing the complaining party as well as other employees and/or customers necessary to obtain sufficient information upon which to make an assessment of the situation.

While we will make every effort to be sensitive to privacy issues, in the course of an investigation we will discuss relevant information with appropriate parties on a need-to-know-basis.

Retaliation against an employee who complains of discrimination is strictly prohibited and will not be tolerated. We are committed to investigating and correcting any form of discrimination taking place in our company. We are committed to addressing these issues within our organization, and we believe we can effectively address such matters internally when employees advise us of a problem in this area.

## **EMPLOYEES WITH LIFE-THREATENING ILLNESSES**

Employees with life-threatening illnesses such as cancer, heart disease, and AIDS often are able to continue working with minimal impact on the workplace. We support the efforts of such employees and will provide reasonable accommodation whenever possible as long as the employee is able to perform his or her essential job functions.

## **Disclosure of Medical Information**

Medical information is considered confidential. We will make every effort to maintain the confidentiality of medical information divulged to us, however, we cannot guarantee absolute confidentiality when such information is shared with anyone other than your supervisor.

Supervisors, managers, and employees are expected to respect the sensitivity of medical information and to maintain confidentiality when they become privy to such information.

Employees who disclose confidential medical information about another employee are subject to corrective action up to and including termination of employment. (See Ethics at Pickering Associates).

## **AIDS and Related Medical Conditions**

We recognize that Acquired Immune Deficiency Syndrome (AIDS), related conditions such as AIDS-Related Complex (ARC), and persons who are HIV positive pose significant concerns for employees in the workplace. Accordingly, we have established the following guidelines for handling issues that arise when an employee is affected with any of these conditions.

We are committed to maintaining a safe and healthy work environment for all employees. Consistent with this commitment, we will treat any of these conditions the same as other illnesses in terms of our employee policies and benefits, group health and life insurance, disability leaves of absence and other disability benefits.

Based on overwhelming medical evidence and scientific opinion, including statements from the U.S. Public Health Service Center for Disease Control, these conditions are not casually transmitted in ordinary social or occupational settings. Therefore, subject to changes in available medical information, employees with AIDS or any of its related conditions may continue to work as long as they are certified able to perform essential job functions by a licensed health care provider. Co-workers may not refuse to work with affected employees, or withhold service to affected customers for fear of contracting any of these conditions. Employees also may not harass or otherwise discriminate against an HIV/ARC/AIDS affected employee or customer. Employees who engage in such behavior by refusing to work with, or by harassing or otherwise discriminating against employees or customers with these conditions are subject to corrective action up to and including termination of employment.

Recognizing the need to be accurately informed about these conditions, we will provide on request, information regarding the facts about these medical conditions. Employees who would like this information should contact their supervisor.

## **HARASSMENT (OF, OR BY EMPLOYEES AND CUSTOMERS)**

The law does not permit, nor will Pickering Associates tolerate harassment of employees by other employees, or by our customers or vendors. Likewise, Pickering Associates will not tolerate harassment of a customer or vendor by any employee of the Company. This includes harassment because of race, sex, religious creed, color, national origin, ancestry, disability or medical condition, age, or any other basis protected by federal, state or local law, ordinance or regulation. Such conduct by an employee could result in corrective action up to, and including termination of employment.

Employees should also be aware that they may be held **personally liable** for monetary damages if they are found guilty of harassment.

While it is not easy to define precisely what harassment is, it includes any physical, verbal and visual conduct that creates an intimidating, offensive, or hostile environment which interferes with work performance. Such conduct constitutes harassment when:

- 1) Submission to the conduct is made either an implicit or explicit condition of employment;
- 2) Submission to or rejection of the conduct is used as a basis for an employment decision; or,
- 3) The harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

The following are some examples of conduct that may be considered harassment. This list is provided as a sample of inappropriate workplace conduct, but is by no means all-inclusive.

- a) Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- b) Visual conduct such as derogatory and/or racially/sexually-oriented cartoons, clothing, drawings, posters, photographs or gestures;
- c) Transmitting sexually suggestive, derogatory or offensive materials via company computers (*e.g.*, E-mail) or accessing such information on the Internet while at work;
- d) Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;
- e) Threats and demands to submit to sexual requests as a condition of continued employment or receipt of products/services, or to avoid some other loss, and offers of employment benefits or extra services in return for sexual favors; and,
- f) Retaliation for having reported or threatened to report harassment.

Such behavior is unacceptable in the workplace itself and in other work-related settings such as business trips and social events with co-workers (whether or not the social event is sponsored by the Company). Such conduct by vendors or visitors to our Company also will not be tolerated.

If you feel that you are a victim of harassment, or observe harassment of another employee or customer, immediately tell the person displaying offensive behavior to stop. He or she may not be aware that his or her conduct is unwelcome or offensive. Pickering Associates encourages employees to address harassment directly when it

occurs. However, this is not required. Also, **immediately** report any incident of harassment to any supervisor, manager, **and** Vice President, or President even if you have discussed it directly with the individual(s) involved. (Temporary Employees are to address any incident of harassment to Manpower.) Please provide the following information when reporting harassment.

- 1) Date(s), time(s), and location(s) of the incident/incidences that took place;
- 2) Description of each incident: etc.g., was any physical contact made?, what was said and/or done?, etc.;
- 3) Name(s) of anyone present during each incident; and,
- 4) Anyone with whom you've discussed the incident/incidences.

All complaints of harassment will be investigated and the results of the investigation will be reported to the complaining party. Investigation of a harassment complaint may include, but is not limited to, interviewing the complaining and accused parties as well as other employees and/or customers necessary to obtain sufficient information upon which to make an assessment of the situation. While Pickering Associates will make every effort to be sensitive to privacy issues, in the course of an investigation we will discuss relevant information with appropriate parties on a need-to-know basis.

Retaliation and/or discrimination against an employee who complains of harassment is strictly prohibited and will not be tolerated.

Pickering Associates is committed to investigating and correcting any form of harassment taking place in our company. We are committed to addressing these issues within our organization, and we believe we can effectively address such matters internally when employees advise us of a problem in this area. Accordingly, we need your cooperation in immediately reporting conduct which you feel may be a form of harassment.

All employees will be asked to sign a form stating that they understand the company's policy on harassment and will adhere to the aforementioned policy.

## **SEXUAL HARASSMENT POLICY**

Pickering Associates strongly disapproves of and does not tolerate sexual harassment of any kind. All employees must avoid offensive or inappropriate sexual behavior at work and are responsible for assuring that the workplace is free from sexual harassment at all times.

Pickering Associates policy prohibits sexual harassment. Including but not limited to:

- Unwelcomed sexual advances;

- requests for sexual acts or favors, with or without accompanying promises, threats, or reciprocal favors or actions; and
- other verbal or physical conduct of a sexual nature constitute harassment when:
  - 1) Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
  - 2) Submission to, or rejection of, such conduct by an individual is used as the basis for employment decisions affecting such individual, or
  - 3) Such conduct has the purpose of or effect of substantially interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited conduct include, but are not limited to, lewd or sexually suggestive comments; off-color language or jokes of a sexual nature; slurs and other verbal, graphic or physical conduct relating to an individual's gender; or any display of sexually explicit pictures, greeting cards, articles, books, magazines, photos or cartoons.

Any employee who has a complaint of sexual harassment at work by anyone, including supervisors, co-workers, or visitors is urged to bring the matter to the attention of Company officials so that we may investigate and deal with the problem. Employees may bring their complaint to the vice President or President if the complaint involves someone in the employee's direct line of command.

The complaint may be made either orally or in writing. Although written complaints may be made in any form, a sample Harassment complaint is attached hereto to facilitate investigation into employee allegations.

The Company will investigate all complaints and will endeavor to handle these matters expeditiously in a professional manner so as to protect the offended individual.

Violation of this policy is grounds for discipline, including discharge.

## **ALCOHOL AND ILLEGAL DRUGS AT WORK**

We recognize that drug and alcohol abuse are serious problems present in today's society. We also recognize the importance of maintaining a safe, efficient, and healthy work environment.

Being under the influence of any alcoholic beverage and/or illegal drug(s) on the job poses serious risks to employee health and safety. "Illegal drug" is defined as any substance deemed illegal under federal law regardless of its legality under state or local law. To protect the safety and health of all employees, we have established the following policy regarding alcohol and illegal drugs at work.

Pickering Associates absolutely prohibits the sale, purchase, transfer, or possession of any illegal or non-prescribed drug during work hours or on company property at any time. For the purpose of this policy, "company property" also applies to customer property or any location where you may be performing work for the Company, including your own home during work hours (if you are a telecommuter, or are working at home for any other reason). In addition, we strictly prohibit any employee from being under the influence of alcohol and/or any illegal drug while on duty or performing work activities (including telecommuting). Taking legally prescribed medications or over-the-counter medications are permitted to the extent that use of such medications does not adversely affect your job performance or safety, or the safety of others.

It is not acceptable for any employee to consume alcohol during an unpaid lunch period and return to the workplace.

## **Use of Prescription Medications While Working**

If you are using prescription or over-the-counter medications that may impair your ability to perform your job safely, you must report such use to your supervisor before starting or resuming work. If you discover that such medication impairs or adversely impacts your ability to work, immediately stop working and report your condition to your supervisor. Working while affected by prescription or over-the-counter medications is dangerous. Consult with your physician if you are impaired or affected by prescription or over-the-counter medications.

## **Alcohol Consumption at Work**

The consumption of alcohol on company property is forbidden except at company sponsored functions such as Open Houses, or Friday afternoon "get togethers," when limited quantities of alcoholic beverages may be provided by the Company. Such functions are only considered "company sponsored" if management is in attendance. Consumption of alcohol when management is not in attendance will be considered a violation of this policy subject to corrective action up to and including termination of employment.

Employees who drink alcohol at company sponsored events are expected to do so in moderation. If while attending such an event you feel that you may have overindulged you are expected to seek assistance from a manager. In such situations, the Company will provide transportation home and will pay reasonable expenses for such transportation. In the rare event that you become intoxicated at a company sponsored event, our primary concern is your safety and the safety of others. You will not be disciplined or retaliated against if you acknowledge your overindulgence and responsibly present yourself to management for transportation home. The above also applies to company sponsored social events held off the premises.

Employees should never operate a company-owned vehicle while under the influence of alcohol.

## **Alcohol or Drug Testing**

Pickering Associates shall require alcohol or drug testing when:

- Customers requesting Pickering Associates services require Substance Abuse free certification;
- A reasonable suspicion exists that you are under the influence of any controlled substance, drug, or alcohol while on the job, in the workplace, or at a customer site; or,
- When an accident, near-miss, or incident occurs in which safety precautions are violated or careless acts are performed, and a reasonable suspicion exists that you are "under the influence."

Alcohol or drug testing will involve an initial screening test at a qualified laboratory. If that test result is positive, a second test will be conducted using the original sample. Test results will be kept as confidential as possible. A positive test is grounds for corrective action up to and including termination of employment.

Refusal to submit to testing when a reasonable suspicion has been established may result in corrective action up to and including termination of employment.

## **Inspection of Employees and Personal Property or Possession of Alcohol and Drugs**

In order to promote a safe, productive, substance abuse-free workplace, we reserve the right to inspect employee clothing, personal vehicles on company property, packages, lunch boxes, containers, articles in such areas, and other objects brought onto company property that might conceal alcohol, illegal drugs and/or other inappropriate materials. Any employee who does not consent to and fully cooperate with such inspections is subject to corrective action up to and including termination of employment.

## **Treatment for Chemical Dependencies**

Pickering Associates will assist employees with chemical dependencies (alcohol or drug) who voluntarily seek treatment and/or rehabilitation. Such assistance includes payment for treatment in accordance with our group health insurance plan, and leave of absence as outlined under Disability Leave. We will make reasonable efforts to ensure that any disclosures you make to the Company concerning your participation in any drug or alcohol counseling or rehabilitation program will be treated confidentially.



Pickering Associates is not obligated however, to continue to employ a person whose job performance is impaired because of drug or alcohol use, nor are we obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance was below standard. Continued employment or re-employment of a person with chemical dependencies is at the sole discretion of the Company.

Our policy on treatment and rehabilitation is not intended to affect our position regarding employees who violate the guidelines regarding the use of alcohol and/or drugs at work as described above. Rather, rehabilitation is an option for an employee who acknowledges a chemical dependency and voluntarily seeks treatment to end that dependency.

## **Compliance with the Drug-Free Workplace Act**

We comply with the Federal Drug-Free Workplace Act. Any employee convicted of violating a criminal drug statute must notify the Vice President of the conviction within five days. Failure to report the conviction may result in corrective action up to and including termination of employment.

## **VIOLENCE OR OTHER INAPPROPRIATE BEHAVIOR**

Threatening employees, customers, visitors, or vendors, or engaging in threatening or violent behavior in our workplace (or at customer sites) is a serious matter. Such conduct places the safety and health of our employees and customers in jeopardy, and will not be tolerated. Employees engaging in such activities will be subject to appropriate corrective action up to and including termination of employment, and perhaps legal action from the victim(s) of their conduct.

Violent or inappropriate behavior includes, but is not limited to:

- Threats of any kind;
- Threatening, physically aggressive or violent behavior, such as intimidation of or attempts to instill fear in others;
- Other behavior including belligerent speech, excessive arguing, or sabotage of company property;
- Defacing company property or causing physical damage to company facilities;
- Bringing weapons or firearms (including hunting rifles) of any kind on company premises, in company parking lots, in personal or company vehicles, or while

conducting company business; and/or,

- Using any object in a threatening or weapon-like manner.

## **Inspection of Employees and Personal Property for Possession of Weapons**

In order to promote a safe and violence-free workplace, we reserve the right to inspect employee clothing, personal vehicles on company property, packages, lunch boxes, containers, articles in such areas, and other objects brought onto company property that might conceal weapons. Any employee who does not consent to and fully cooperate with such inspections is subject to corrective action up to and including termination of employment.

## **What to Do If You Are Threatened, or Are a Victim of Workplace Violence**

If you are threatened, or the victim of a violent act in the workplace, or if you observe behavior that is violent, or potentially violent (as described above), immediately report it to your supervisor or any other member of management and the Vice President. This includes threats or violent acts by co-workers, customers, visitors, or others who have come onto our premises.

All reports of workplace violence will be taken seriously and will be investigated promptly and thoroughly. We will maintain confidentiality when possible (*i.e.*, release information only to those with a business need-to-know). We will not tolerate retaliation against any employee who reports workplace violence.

## **Threats of Violence by Outside Third Parties**

Unfortunately, sometimes non-employees may try to bring their personal disputes into our workplace. To protect your safety and the safety of your co-workers, please **immediately** report to your supervisor or Vice President any personal situations which may bring violence to our workplace. By being forewarned we can take appropriate measures to try and protect you and/or your co-workers. Employees who report potential workplace violence from a domestic or personal dispute do not need to fear corrective action or retaliation.

## **ATTENDANCE AND PUNCTUALITY**

Individual work efforts are very important to the Company's overall success. We depend

on employees to report to work regularly and at the agreed time. When you have advance knowledge that you will be absent or late for work, your supervisor shall be notified as far in advance as possible.

## **Reporting Absences**

Employees who are absent from work for any reason must directly contact their supervisor as soon as circumstances allow, but no more than one hour after the beginning of their scheduled shift, except in the most unusual and extreme circumstances. Calling-in your absence more than one hour after the beginning of your shift will be considered a "failure to report" which may result in corrective action. A second "failure to report" incident within a 12-month period can result in termination of employment. Also, employees who fail to report their absence to their supervisor for three or more consecutive working days will be considered to have voluntarily resigned and will not be eligible for rehire. Temporary Employees are to contact Manpower as soon as circumstances allow, but no more than one hour after the beginning of their scheduled shift, except in the most unusual and extreme circumstances as well.

The supervisor is responsible for reporting the absence to accounting for official documentation.

## **Absenteeism and Tardiness**

Excessive absences or tardiness can have a very serious effect on your work performance and could result in termination of employment. Excessive absences is defined as more than three instances of absence within a 1-month period. An "instance" is defined as the total days consecutively absent for a particular illness or other reason. For example, if an employee has the flu and is out five consecutive days, the absence would count as one instance. Later, if the same employee had oral surgery and was absent three consecutive days, he or she would only have two "instances" of absence, and accordingly, would be considered to have acceptable attendance. Absences due to approved Family and Medical Leave Act, other legally required leaves of absence, or Company approved absence, will not be considered an instance counted toward excessive absences.

If you are absent for medical reasons for more than three days consecutively, you will be required to provide a physician's statement confirming your suitability to return-to-work..

Absences from work often place a hardship on your co-workers as they may have to pick up some of your workload. Accordingly, personal business such as doctor, dental, school and other appointments should be scheduled before or after normal business hours, or whenever possible, on your day(s) off. On the rare occasion that such appointments cannot be scheduled outside work hours, you are expected to schedule them at the beginning or end of the work day, or adjoining your lunch break to minimize disruption

to work. Although such absence may be taken with the permission of your supervisor.

All employees are expected to begin performing their job duties when their shift begins. If you are on the premises, but engaging in non-work activities such as getting coffee, visiting, etc., after the beginning of a shift you will be considered tardy. Excessive tardiness is defined as failing to be ready to begin job duties at the beginning of the shift, or returning from breaks or lunch late more than three times within a 1-month period.

In all cases, honest and truthful reasons for tardiness or absences are expected to be given. Excessive tardiness and/or giving false reasons for tardiness or absence will result in corrective action up to and including termination of employment.

## **CONFIDENTIALITY**

It is likely that your work assignments may involve work of a confidential nature. In some or all of its aspects your work may involve contact with trade secrets and confidential information of the Company, or trade secrets and confidential information of our customers that has been entrusted to us. You are expected to protect the interests of the Company and our customers by not disclosing to outsiders any information that is trade secrets or other proprietary information of the Company or our customers. Information which we may consider trade secrets, confidential or proprietary includes:

- Information about current or future product design (other than that which is typically shared during marketing or sales efforts);
- Financial data (of our Company or customers);
- Salaries of other employees;
- Marketing strategies;
- Prototypes, plans, designs, or blueprints;
- Technological data or prototypes; and,
- Any information that may be used by competitors against us or our customers.

As a condition of employment you agree that you will not, except as required in the conduct of the Company's business or as authorized in writing by the Vice President of the Company, publish or disclose, either during your term of employment or any time thereafter, any trade secret or confidential information relating to the Company's business that you may in any way acquire by reason of your employment by the Company, including the identity of current and prospective Company customers.

You are expected to respect the confidence placed in us by our customers. The professional relationship between each customer and Pickering Associates requires that there be no disclosure of information about the internal affairs of either party to others.

This includes responses to inquiries from salespeople, the press, contractors, other companies, or the public. Should anyone make inquiries about our relationship with, or the internal affairs of a customer, immediately report the inquiry to your supervisor.

To further protect the interests of the Company, you must secure permission from your supervisor before making a public presentation as a representative of the Company.

## **COMPETITION WITH THE COMPANY**

We respect your right to pursue future career opportunities, and we expect that you also acknowledge our right to protect the interests of the Company, its customers and employees. Accordingly, in accepting employment with us you agree not to engage in direct competition with the Company during your term of employment without the express written permission of the Vice President. "Direct competition" is defined as designing, selling or rendering other services similar to those offered by the Company for your personal economic benefit or the economic benefit of a competitor employer who provides services in any geographic area in which the Company is engaged in such business. This includes services rendered as an independent contractor or as the owner or shareholder in another company.

The names and addresses of our customers and all other confidential information relating to those customers, including buying habits and special needs, are provided to you in confidence so that you can effectively perform your job duties while working for us. This information constitutes trade secrets of the Company. The sale or unauthorized use or disclosure of any of our trade secrets obtained during your employment with us constitutes unfair competition.

For a period of one year immediately following termination of employment from Pickering Associates, you may not directly or indirectly make known to any person, firm, or corporation the names or addresses of any of our customers or any other information pertaining to our customers. Also for a period of one year immediately following termination of employment from Pickering Associates, you may not call on, solicit, or attempt to call on, solicit, or take away any of our customers whom you called on or with whom you became acquainted during your employment with us.

As a condition of employment, you agree not to engage in any outside business or financial activity which conflicts with the business interests of the Company or which interferes with your ability to fully perform any duty or carry out any responsibility of your job.

No employee may benefit directly or indirectly from a third party who furnishes products, materials or services to the Company as this raises potential for conflict of interest. For a period of one year immediately following termination of employment, an employee shall not be permitted to attain employment from our customers or our competitors within a 100-mile radius of the employee's normal work site.

## **OWNERSHIP OF WORK PRODUCT**

As a condition of employment, you acknowledge our ownership (and will assign to the Company if requested) any and all inventions, product/service improvements, discoveries, publications, copyrights, software, and other proprietary information relating to the business of the Company which is produced, conceived, or reduced to practice while you are employed by the Company.

The above does not apply to any invention for which no equipment, supplies, facility, or trade secret information of the Company is used and which is developed entirely on your own time, off Company premises, unless the following criteria is met:

- a) The invention relates to the business of the Company, or to the Company's actual or anticipated research or development; or,
- b) The invention results from any work performed by you for the Company.

## **CONFLICTS OF INTEREST**

An actual or potential conflict of interest occurs when you are in a position to influence a decision that may result in a personal gain for yourself or a relative as the result of our business dealings. Relatives are defined as spouse, son, daughter, niece, nephew, cousin, grandchild, father, mother, brother, sister, father-in-law, mother-in-law, sister-in-law, brother-in-law, grandmother, or grandfather. Non-related individuals sharing housing will also be considered "relatives" for the purpose of these guidelines (whether or not they are "significant others," domestic partners or simply share rent for economic reasons).

If you have any influence on transactions between Pickering Associates and an organization where one of your relatives is employed, you must immediately notify your supervisor of potential conflict of interest. Failure to do so may result in corrective action up to and including termination of employment.

Any employee who participates in practices which constitute a conflict of interest will be subject to corrective action up to and including termination of employment.

## **OUTSIDE EMPLOYMENT**

Your supervisor must be notified when you engage in outside employment. Failure to report outside employment may result in corrective action up to and including termination of employment. Such activities will be reviewed for consistency with the best interests of the Company and/or our customers. We reserve the right to prohibit outside employment that creates real or potential conflict of interest to the Company or

our customers.

Examples of types of outside employment that raise conflict of interest questions are:

- Performing services for a customer, or potential customer for payment directly to you by the customer.
- Use of company equipment, supplies or facilities to benefit another employer.
- Performing a service that the Company itself can perform.
- Employment that prevents you from meeting your responsibilities to the Company or to one of our customers (*e.g.*, not being available to meet customer needs or deadlines, being late for work and/or having to take time off from work, coming to work unrested and unable to effectively perform job duties).

If your outside employment prohibits effective performance of your duties for us, or creates an actual or potential conflict of interest, you may be asked to either resign from your outside employment, or resign your position with us.

We assume no responsibility for outside employment. Workers' Compensation and other benefits for injuries arising from outside employment will not be provided by the Company.

## **COMPANY FILES, FACILITIES, EQUIPMENT, AND PERSONAL USE OF PHONE, FAX, AND COMPUTERS**

The security of our property is vital to our future success. All employees share responsibility for ensuring that company property is protected. Company property includes not only tangible items like desks, computers, tools, and equipment, but also intangible property such as proprietary information and trade secrets. Proprietary information includes all information obtained by employees during the course of their work for us. This handbook, for example is proprietary information. Other examples of proprietary information include (but are not limited to) customer lists, customer files, and computer records.

Given the nature of our business, protecting proprietary information and trade secrets is a vital concern. Such information is one of the most important assets of the company. As a condition of employment you may not use or disclose any proprietary information or trade secrets obtained during your employment with us, except as required to perform your Pickering Associates job duties. Failure to adhere to these standards may result in corrective action up to and including termination of employment.

You are expected to return all items containing proprietary information and/or trade secrets to us prior to leaving our employ. Failure to do so could result in legal action

against you by us or our customers as continued possession of such items could be damaging to either party.

To protect data and software on our computers, employees are prohibited from loading personal software onto company computers without the express permission of the your supervisor. Computer equipment must not be used for personal business. **Computers are for company business only. You may not copy company software for personal use, and may not load any software onto company computers without your supervisor's permission, as computer viruses are a growing challenge.**

Manual files may **not** be used for other than company business without the expressed permission of the Vice President.

Our stationery must not be used for personal correspondence, since any type of communication sent out on our stationery might be considered an official communication.

## **E-Mail**

E-mail is also considered company property and is to be used for company business only. Conveying personal messages that are not work related via e-mail is considered inappropriate and must be avoided. Employees inappropriately using e-mail for personal purposes are subject to corrective action up to and including termination of employment. Employees are reminded that e-mail messages do not always remain private. Accordingly, use discretion when using e-mail to communicate sensitive matters.

## **Management Access to Your Work Files, Computer, and Work Area**

During the course of conducting normal business, management may from time to time review manual work files or access computers, desks or other storage areas you may use, with or without your knowledge. You are also reminded that facsimile transmissions coming into our office are often accessible to other employees. Accordingly, please be advised that personal information may not remain confidential, and that we cannot ensure privacy when our files, facilities, and/or equipment are used for personal business.

## **Use of the Internet**

We are on-line with the Internet. This allows us state-of-the-art access to information needed to effectively perform our work. Excessive use of the Internet can be costly. Accordingly, the Internet must only be used when essential to performing one's work. Recreational "surfing" of the Internet, or using it for personal use is inappropriate. Employees using the Internet for personal use are subject to corrective action up to and including termination of employment. Employees will be required to reimburse Pickering Associates for personal Internet charges that may be incurred.



## **Personal Telephone Calls**

Personal telephone calls should be limited both in time and nature so as not to interfere with your responsibilities. They should be confined to emergencies. If you must schedule an appointment or attend to some other personal matter by phone, such personal business should be conducted during your morning, lunch, or afternoon break, using the phone lines least likely to limit outside access to our customers. Employees who are found to be making or receiving an excessive number of call, or calls long in duration, will be referred to the supervisor. More than three incidences of such nature will be considered terms subject to corrective action, up to and including termination of employment.

The use of company cellular telephones for personal telephone calls other than emergency is prohibited. The cellular phones incur a per minute charge when placing or receiving calls.

## **Voicemail**

We have installed a voicemail system for efficiency and to better serve our customers. From time to time, especially when you are on vacation, business trips, and leaves of absence, your supervisor, manager, or another employee may listen to your voicemail messages to better serve our customers and other business needs. You should not expect messages left on your voicemail to be totally private.

## **RECEPTIONIST**

You are responsible for letting the receptionist know when you are out so that we can keep you in effective communication with our clients.

## **COMPANY TOOLS AND EQUIPMENT**

Company property includes, but is not limited to, equipment, tools and supplies, and originals or copies of:

- Information stored on magnetic media and in digital form;
- Computer software;
- All written material such as computer code and documentation;
- Work notes;

- Project plans;
- Lists of customers names and contacts;
- Lists of potential customers;
- Technical papers and reports;
- Management reports;
- Proposals;
- Company and customer telephone numbers;
- All magazines, journals, books, and other materials for which the Company paid;
- Business related letters and technical brochures; and,
- Any and all other work which is the result of your employment with us.

When using company tools and equipment you are expected to use such items with caution so as not to injure yourself or others. Also, you are expected to operate such items in accordance with the manufacturer's specifications so that the tools and equipment will not be damaged. When in doubt as to how to operate something, please refer to the manufacturer's Users Manual, or ask your supervisor for assistance. Immediately inform your supervisor of any tool or equipment malfunctions.

Generally, tools and equipment must be used only on our premises, except when necessary to complete work at a customer site or at home, or when traveling on company business. Before removing tools or equipment from the premises, secure authorization from your immediate supervisor.

In some cases, you may be assigned certain tools or equipment which are necessary to properly perform your job duties. You may be asked to sign for receipt of such items. It is possible that you may be held financially responsible for any lost tools or equipment which have been issued to you. Upon termination of employment, all tools and equipment issued to you must be returned to the Company.

When taking tools or equipment to a customer site, be sure that you bring back the same item. Many tools become lost because they have been left at a customer site. If you damage any tools or equipment, immediately inform your supervisor so that repairs and/or replacement can be arranged.

You are expected to return all company tools and equipment to us prior to leaving our employ. Failure to do so could result in legal action against you by us or our customers

as continued possession of Company tools and equipment could be damaging to either party.

## **PERSONAL USE OF COMPANY OR CUSTOMER SUPPLIES AND EQUIPMENT**

Personal use of company supplies and equipment without express approval from your supervisor is strictly prohibited. This includes using computer equipment and/or software for personal use.

You are expected to adhere to all guidelines related to use of facilities and conduct outlined by customers when working at a customer's facility. **Under no circumstances should customer supplies and/or equipment be used for personal use (even with the customer's permission).**

Using the Company postage meter for personal mail is also strictly prohibited. Additionally, you should not have personal mail delivered to you at work.

## **YOUR PERSONNEL FILE**

We maintain a personnel file for each employee. Personnel files contain basic personal information (*e.g.*, name, address, phone number) and employment-related information such as copies of performance appraisals, etc. Your personnel file is the official record of your employment with us.

If you wish to review your personnel file, please contact the Manager of the Business Management Group, who will arrange a time to review the file with you during normal work hours. You may request photocopies of any document in your personnel file that contains your signature. Personnel files are the property of the Company and, therefore, cannot be removed from the office of the Manager of the Business Management Group.

We will make every effort to restrict disclosure of your personnel file to only authorized individuals (*e.g.*, supervisors and managers) within the Company. Disclosure of personnel information to outside sources will be limited. However, we will cooperate with requests from authorized law enforcement agencies, or local, state or federal agencies conducting official investigations or audits. We also will respond to subpoenas as required, which may include providing copies of documents contained in your personnel file.

We also may provide access to appropriate personnel records to our legal counsel and consultants on a "need-to-know" basis in order for those parties to effectively complete their work for us.

## **SMOKING**

We maintain a smoke-free workplace. Smoking is not allowed in offices, conference rooms, restrooms, break or lunch rooms, the hallways, other public areas within the facility, and outside, within 10 feet of any entrance or exit to the building. Employees wishing to smoke may do so only in designated areas. Questions regarding appropriate places to smoke should be directed to your supervisor. Smokers are expected to keep smoking areas clean and to use appropriate receptacles to dispose of smoking materials. Smoking must be confined to rest and meal breaks. Additional breaks are not provided to smokers. Smokers may not leave the premises to smoke during the work day, except during their unpaid lunch time.

## **DRIVING IN THE COURSE OF WORK**

Where a position requires the driving of a motor vehicle, you must have the appropriate valid driver's license, a good driving record, and be eligible for coverage by our insurance company. You are expected to drive safely and courteously. Violation of these rules (even once) can lead to punishment or dismissal. At no time is it permissible to drive during the course of work while under the influence of alcohol.

We provide insurance for company vehicles. If your work requires that you drive your own vehicle, you must provide us with proof of adequate automobile insurance. Adequate insurance includes minimum coverage as required by state law. Each employee who drives his or her personal vehicle in the course of work is required to provide us, on an annual basis, a certificate of insurance indicating the minimum amounts required by law. The certificate of insurance should also indicate that the policy covers driving for business purposes.

Employees who drive in the course of work must also provide proof of driver's license renewal prior to expiration of their current driver's license.

These requirements apply to employees who routinely drive as part of their job (*e.g.*, Sales Representatives). These requirements do not apply to normal commuting to and from work. Employees who drive their own vehicles on company business shall be reimbursed at a rate of \$.31 per mile. This applies to work specifically authorized by your supervisor.

## **CHANGES IN PERSONAL INFORMATION**

To ensure that needed records are accurate and up-to-date, it is necessary for you to notify your supervisor, in writing, whenever changing the following:

- Name, address, or telephone number.

- Marital status or number of dependents (for tax withholding and insurance coverage), or beneficiary for life insurance.
- Emergency contacts, name, relationship, and daytime phone.
- Education and training completed.
- Dependent child who reaches age 18 or is no longer a full-time student. Once a dependent child has stopped attending school, or reaches age 23 he or she is no longer eligible for coverage under our group health insurance. Failure to notify us within 15 days of this change of status could result in loss of COBRA rights for your dependent child.

## **RECRUITMENT FOR VACANT POSITIONS/ NEW EMPLOYEE REFERRAL PROGRAM**

The immediate filling of any vacant position is generally imperative to ensure that our customers are well served. Therefore, it is our practice to simultaneously recruit both within and outside the Company. Employees desiring new opportunities within the Company or who wish to be considered for future transfer to a new position should contact their supervisor.

## **TRANSFERS WITHIN THE COMPANY**

Employees interested in transferring to another department, location or affiliate must submit a request for transfer in writing to local management with a copy sent to Vice President. This request should be in the form of a memo explaining the desired transfer and the reason(s) for the request. Employee requests for transfer must be well justified and must serve the mutual best interests of the employee and the Company.

An employee who has been counseled for below standard performance and/or is on a Performance Improvement Plan is not eligible for transfer. Transfer requests submitted by employees who have not completed one year of service in their present position are generally not approved.

If a transfer request is approved, transfer arrangements will be coordinated by the appropriate departments, and made at a time and in a manner that will minimize work interruptions in the affected departments. After a transfer request has resulted in an employee assuming a new position, the Company strongly discourages any other transfer for that employee until one year of service in the new position has been completed.

It should be noted that no transfer can be made until there is a job opening. Transfer requests will be kept on file by the Manager of the Business Management Group, but it is an employee's responsibility to re-notify the appropriate business unit if an opening occurs for which the employee wishes consideration.

## **EMPLOYMENT CLASSIFICATIONS**

Positions are classified as either exempt or non-exempt according to criteria set forth in the Federal Fair Labor Standards Act and applicable state laws. A position's status is determined in conformance with these laws based on job duties performed, following regulatory guidelines.

- **Exempt (salaried)** employees are occupations which are executive, professional, technical, or sales oriented. Although "exempt" is the legal classification, we refer to such employees as "salaried."  
Salaried employees are paid base salary and/or commission for duties and responsibilities which are assigned to them; they are **not** paid an hourly rate or overtime pay.
- **Non-Exempt (hourly)** are generally those positions which are not executive, professional, technical, or sales oriented. Non-exempt employees are paid on an hourly basis, including overtime pay. Although "non-exempt" is the legal classification, we refer to such employees as "hourly."

We further classify employees as:

- **Full-time employees** are those employees who work a regular schedule of at least 40 hours each week. Full-time employees are eligible for all benefits offered by the Company.
- **Part-time employees** are defined and eligible for benefits as follows:  
  
Regularly scheduled to work 8-40 hours per week. Part-time employees are not eligible for health insurance benefits offered by the Company. Vacation, pension and sick leave accrual is not earned on a *pro rata* basis. Part-time employees are eligible for holiday pay only when a company observed holiday falls on a day on which the part-time employee is regularly scheduled to work
- **Temporary employees** are those employees who are hired directly by us to perform a specific job for a period of time of six months or less. Temporary employees are not eligible for benefits (insurance, paid vacation, sick leave, or holidays). Temporary employees hired from an employment agency or leasing firm, are employees of the agency/leasing firm, not of the Company.

- **Casual employees** are those who work an unspecified number of hours a week which varies according to company needs. Casual employees are not eligible for benefits (insurance, paid vacation, sick leave, or holidays).
- **Student employees** are those who are taking at least 9 units in school and work for the Company on a part-time basis. During summer months and school breaks students may work a full-time schedule. However, this is generally temporary and does not reclassify them as full-time. Student employees are not eligible for benefits (insurance, paid vacation, sick leave, or holidays).
- **Seasonal employees** are those hired to work during specific seasons, etc.g., harvest, Christmas, etc. Seasonal employees are not eligible for benefits (insurance, paid vacation, sick leave or holidays).

## **EMPLOYMENT OF RELATIVES AND COHABITANTS**

Relatives and cohabitants working together may lead to claims of favoritism by other employees, or domestic issues may lead to unnecessary tension in the workplace. To protect smooth operations, employees who are related or living together should not:

- Direct or control the work of the other;
- Report to the other; or
- Have any review or sign-off relationship with the other.

Relatives are defined as spouse, son, daughter, niece, nephew, cousin, grandchild, father, mother, brother, sister, father-in-law, mother-in-law, sister-in-law, brother-in-law, grandmother, or grandfather. Non-related individuals sharing housing will also be considered cohabitants for the purpose of these guidelines (whether they are "significant others," domestic partners or simply share rent for economic reasons).

Although we will consider hiring individuals related to, or cohabiting with Pickering Associates employees, they will only be eligible for hire into positions where they do not have a reporting relationship as defined above.

Two employees in a reporting relationship who become related or begin cohabiting while working for us may **not** continue the reporting relationship. In such instances, **when possible**, the Company will **try** to find a suitable transfer opportunity for the parties involved. When a transfer opportunity is possible, the related individuals will have 30 days to decide who will transfer. If the related parties cannot decide who will transfer, then management reserves the right to decide which party will transfer.

In the event that a transfer opportunity is not available, one party must either go on an

unpaid leave of absence, or resign. In such case, the parties involved will have 60 days to decide who will either go on unpaid leave (until a suitable opportunity within the Company is available), or resign.

In cases where there is no reporting relationship, but relatives or cohabitants working together creates conflict or other disruption to normal operations, the Company reserves the right to reassign or transfer such employees as it deems necessary. In cases where such disruptions exist and there are no transfer/reassignment opportunities, the employees will be given 30 days to demonstrate that they can work together without disruption. Related or cohabiting employees who cannot work together without conflict or disruption are subject to corrective action up to and including termination of employment.

## **MEDIA RELATIONS**

Because much of the information we work with is confidential or sensitive, all contacts with the media must be referred to the President or Vice President. If contacted by the Press about work-related matters, refer the media representative to the Vice President.

## **SOLICITATION**

We want to ensure that employees and customers are not bothered at work by others who wish to solicit for their own business or membership in organizations. The following is our position regarding solicitation:

*"There shall be no solicitation of employees or customers for any purpose other than company business during working time or on company premises (or customer premises). Distribution of literature and notices during work time or on company premises (or customer premises) is not allowed." (This provision shall not apply to small fund-raising opportunities for the benefit of organizations for which a family member of an employee is participating.)*

Working time includes all time during which you are being paid to perform duties for the Company excluding breaks and meal periods.

Persons who are not employees of the Company will not be permitted to come upon or remain on the premises for the purpose of selling products or services, making solicitations, posting or distributing cards, literature, notices or other paper. If you must make an appointment with a vendor for personal business, you should meet with him or her outside of the office on your own time (e.g., before or after work, or during your lunch break)

For privacy and security reasons, employees are not allowed to give out other employees' addresses, phone numbers and/or other information about employees or former



employees. Requests for such information should be directed to the Vice President.

## **EMPLOYMENT VERIFICATIONS AND REFERENCES**

From time-to-time you may need the Company to verify your employment for loans or to prospective employers. While we are not required to provide such information, we do so as a courtesy. All employment verification/reference requests must be directed to Manager of the Business Management Group. We will not be liable for information provided when the request is directed to someone other than Manager of the Business Management Group. To protect confidentiality, unless we have written authorization from you to release additional information, we will only release your dates of employment and job title.

***Appearance, Personal Conduct,  
and Service to Our Customers***

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## **GROOMING AND APPEARANCE**

All employees are expected to maintain a clean and neat appearance, keeping in mind that customers often form opinions about the quality of our service and products based in part on personal appearance. All employees are expected to adhere to the following appearance guidelines.

### **All Employees**

All employees are expected to arrive at work clean and well-groomed. Because you are in contact with others while at work, you are expected to practice good hygiene. All clothing should be clean, neat, free from tears, and of such condition as to present a professional image. Remember, we are an image conscious society, and the customer may form opinions about your competence and our products or services based on his or her opinion of your appearance. Hair must be clean, neat, and if colored, a color that is a normal hair color (*i.e.*, no green, purple, blue, etc., hair). Men may wear mustaches and beards, however, they must always be groomed, trimmed and no more than one inch in length. Earrings are acceptable, however, no more than two earrings may be worn on each ear while on duty. Rings through the nose, eyelid, tongue, or body parts (other than ear lobes) visible to the public may not be worn while on duty. Because of the safety hazard, employees working in production, manufacturing, or other areas where moving equipment is in use cannot wear dangling earrings while on duty.

Out of courtesy to those who may suffer from allergies, please do not wear strong perfumes, colognes, or scented lotions to the office. If a co-worker indicates that your perfume, cologne, or lotion does cause an allergic reaction, you are expected to stop wearing that scent to work.

Employees who report to work inappropriately groomed or attired may be asked to leave and change into acceptable clothing. In such instances, the time away from work will be without pay.

### **Office Employees**

Although casual clothing is acceptable in our office areas, a professional image is still necessary in the event that a customer visits our offices. Therefore, please use good judgment when selecting casual attire for the office. Clothing with slogans, sun dresses, shorts, jeans, tank tops and similar attire are not acceptable. Any questions about appropriate office attire should be directed to your supervisor.

### **Production/Manufacturing Employees**

To protect yourself when working with chemicals, tools, and other potentially hazardous equipment, you must wear full-length, heavy duty (*e.g.*, denim) pants, closed-toed shoes, and long-sleeved shirts where appropriate. For safety reasons long hair must be pulled back and secured when in the shop area or while working on an installation.

## **Appropriate Attire When Visiting a Customer**

When visiting a customer site, or when having contact with a customer at some other location (*e.g.*, meeting for lunch at a restaurant), you are expected to wear attire that is consistent with the customer's standard of dress. In other words, if you are visiting a customer who comes from a formal environment, you should wear "formal business attire" such as a suit, business dress, jacket and slacks, dress shirt and tie, etc. If you are visiting a customer at an outdoor or production/manufacturing facility, safety, the conditions at the site, and the weather should be taken into consideration when selecting appropriate clothing.

Employees installing equipment at a customer site must either dress in formal business attire or if the job calls for casual attire, should wear a Company shirt whenever possible.

## **PERSONAL CONDUCT AND SERVICE TO OUR CUSTOMERS**

As service is the basis of our business, superior customer service is essential to our on-going success both as a company and as individuals. Therefore, providing superior customer service must be your first priority at all times. We must all remember that the customer always comes first. It is, after all, revenue from our customers that pays our salaries. Remember, while the customer is not always right, he or she is **never** wrong.

Employees are expected to conduct themselves in a professional manner at all times. While "professional manner" is a generally understood concept, it may mean something different to each person. The following guidelines are designed to further explain how we define professional conduct:

- 1) Display a positive attitude which conveys that you are there to support and help the customer.
- 2) While being pleasant, avoid possible conflicts by not getting too friendly with customers. Be sensitive to whether a customer wishes to visit or wants to get right down to business.
- 3) Do not discuss company issues with customers. **Keep our internal affairs internal!**

- 4) Do not discuss competitors with our customers.
- 5) Avoid discussing customer matters in the presence of someone who has no reason to be part of the discussion.
- 6) If you encounter a difference of opinion or conflict with another employee, do not discuss such matters with a customer or where you might be overheard by a customer (e.g., on the phone while at a customer site).
- 7) Information that could be considered confidential should not be discussed with customers or while on customer premises.
- 8) Always be on time! In the event that you are going to be unavoidably late, contact the customer or our office immediately.
- 9) If you encounter a difference of opinion with a customer, immediately advise your supervisor of the problem and seek his or her assistance with resolution of the problem.
- 10) If the customer is dissatisfied with anything, be sure that your supervisor is immediately made aware of the complaint.

# ***Compensation and Performance Related Programs***

## **PAY DAYS**

All employees are paid weekly at the end of the third business day after the close of the previous business week. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

To ensure the security of your paycheck, it will be issued only to you personally unless you provide written authorization for us to release it to another person. If you want someone else to pick up your paycheck for you, you must first complete an authorization form. Authorization forms may be obtained from Manager of the Business Management Group. Anyone authorized to pick up your paycheck will be required to present identification before it will be released. While this policy may seem cumbersome, it is designed to ensure that your paycheck is properly distributed in your absence. Pay checks will be distributed only by accounting personnel or management, to assure confidentiality.

## **PERSONAL USE OF PETTY CASH**

At no time is cash to be "borrowed" from the cash drawer or petty cash fund. To use company funds for personal use is considered theft. Any employee using company funds for personal use is subject to corrective action up to and including termination of employment.

## **CORRECTION OF PAYROLL ERRORS**

We take every measure to ensure that your paycheck is processed correctly. However, from time-to-time payroll errors can occur. To help us ensure that our payroll is accurate, you are expected to review each paycheck carefully, and immediately report suspected errors to your supervisor. It will be presumed that if you do not report an error within 90 days, that your paycheck is correct. Errors should be reported in writing (by memo) including the date of the paycheck and details of the suspected error. A copy of your pay stub and the relevant time card should be attached to the memo.

Underpayment of less than \$50.00 will be included in the next paycheck following discovery of the error. Underpayment of more than \$50.00 will be paid by manual check within three working days of when the error is reported to your supervisor.

If within 90 days we discover that you have been overpaid, we reserve the right to make appropriate payroll deductions for repayment of the overage. Amounts of less than \$50.00 will be deducted from the paycheck immediately following discovery of the overpayment. Amounts of over \$50.00 will be repaid through multiple payroll deductions based on a mutually agreeable schedule. If you leave our employ before the overage is repaid, the balance due will be deducted from your final paycheck. Overpayments discovered after 90 days will be absorbed by the Company and no repayment will be required.

## **PAYROLL DEDUCTIONS AND W-2s**

We are required by law to make certain deductions from employee paychecks each pay period. These include: Federal Income Tax (FIT), Federal Social Security (FICA) and

Medicare Tax, and where applicable, State Income Tax (SIT) and State Disability Insurance (SDI). The amount of these deductions is summarized on a W-2 form and provided to all employees no later than January 31st of each year. To ensure that your W-2 is accurate and received on-time, changes of name or address should be reported to your supervisor.

State and Federal tax regulations may require reporting "Other Compensation" ("O-Comp") on your W-2. You should consult with your personal tax advisor to determine how this should be reported on your income tax return.

We offer programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs. Occasionally we may receive court orders to withhold funds from paychecks (child support, levies, etc.). We will comply with such orders.

If you have questions about deductions from your paycheck, please contact your supervisor or the Manager of the Business Management Group.

## **TIMECARDS AND ABSENCE REPORTING**

All employees must report time worked on daily computer timecards. You must fill-out and sign your own timecard. Completion of your timecard by another employee will be considered falsification of official records and could be grounds for corrective action including termination.

Non-exempt employee timecards are important. Accurate, timely completion of timecards is critical to correct payroll processing. In the event that you cannot complete your timecard as required, please contact your supervisor immediately.

Additionally, to ensure accurate cost accounting, exempt employees are required to report time worked on customer projects. It should be noted that exempt time reports are a management tool for accurate recordkeeping of cost accounting and vacation usage only. They should not be considered a means by which hours worked, overtime, etc., are recorded. Exempt employees are reminded that they are paid a base salary for job performance, not hours worked, and that overtime pay does not apply to exempt employees.

Time cards are due by noon of the first business day following the close of the pay period. Employees are paid the pay day after timecards are due. Employees who fail to turn-in timecards and time reports by the due date will be paid wages for their regular schedule. Adjustments for overtime or deductions for unpaid absences will be made on the next payroll. Manual checks will not be issued for overtime pay reported on timecards turned-in late.

## **OVERTIME COMPENSATION**

*(Applies to non-exempt employees only)*

If you are a non-exempt employee, you will be paid for all hours worked, including overtime that is worked at the direction of management. Prior to working overtime, you



must receive approval from your supervisor.

Hourly overtime is paid at 1 1/2 times regular hourly rate of pay (time and one-half) for work over 40 hours in a workweek.

Paid time off (*e.g.*, sick leave, vacation or holiday) is not included in calculating hours worked for the purpose of overtime pay.

## **PAY INCREASES**

Wage and salary increases are based on performance (merit), how well you meet performance standards for your specific job and your overall contribution to our success. Salary increases are **not guaranteed**. They must **be earned** and are granted at the sole discretion of management. Salary increases do not create an implied contract for future employment, and do not alter the "at-will" nature of our employment relationship.

## **PERFORMANCE APPRAISALS**

To provide employees feedback about their performance, and to facilitate two-way communication, periodically supervisors will provide employees with an evaluation of their performance. This may be done informally through a casual conversation, or through a formal written performance appraisal.

# ***Employee Benefits***

## **INTRODUCTION**

We provide a competitive benefits package that is designed to supplement your salary. From time to time, benefits may be added or deleted from our benefits package. We reserve the right to make such changes, as well as to change insurance carriers or coverages, and payment of premiums on behalf of employees at our sole discretion as deemed appropriate by the Company. The following provides a general overview of benefits currently provided for our employees. Further information about specific benefits is outlined in Summary Plan Descriptions which are provided during new employee orientation. Additional copies can be obtained from the Manager of the Business Management Group.

## **UNEMPLOYMENT AND SOCIAL SECURITY (FICA)**

We pay a special state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits payable (if any), and duration of benefits.

Employees are also eligible for benefits under Social Security (FICA). To provide these benefits, we match employee contributions dollar-for-dollar. Some of the benefits under social security include retirement income, Medicare benefits at age sixty-five, benefits for permanent disability, and dependent survivor benefits.

## **INSURANCE BENEFITS**

We offer a benefits package that is designed to protect your (and your family's, if dependent coverage is elected) health and welfare. These benefits are intended to assist with the financial impact of health care and catastrophic health conditions.

Insurance coverage includes:

- Health insurance
- Prescription drug insurance
- Dental insurance
- Life insurance

Although we provide insurance coverage for employees and dependents, conditions covered, claims processing, and actual benefit payments are between you and the insurance carrier. We do not accept any responsibility or liability for actions taken by the insurance company. You are responsible for submitting claims and directly resolving with the insurance company any problems that may occur with claims processing.

## **Medical and Dental Insurance Premiums**

Currently we pay 100% of health (medical) and dental insurance premiums for employees and their spouse. We pay 0% of the health and dental insurance premiums for any other dependent coverage. You must pay the other 100% of dependent insurance premiums. This will be done through an adjustment to your salary or hourly wage.

Prescription drug coverage is included in our health insurance plan. There is no additional premium for prescription drug coverage.

## **COBRA**

When you or your enrolled dependents are no longer eligible for regular coverage under our health and dental insurance plans, you may be eligible for continued coverage if you pay the monthly premium for the coverage. This is guaranteed to you under the Consolidated Omnibus Budget Reconciliation Act (COBRA) if:

- You were covered under the group plan at the time of a qualifying event (see below for a list of qualifying events);
- You are not eligible for Medicare;
- You are not eligible for coverage under another employer's group plan; and,
- You have not applied to convert your group coverage to an individual health insurance policy.

## **Qualifying Events**

You have the right to choose continuation coverage (COBRA) if you lose your group health insurance because of a reduction of hours in employment or the termination of your employment (voluntary or involuntary) for reasons other than gross misconduct.

A covered spouse or dependent child has the right to choose continuation coverage (COBRA) if coverage is lost for any of the following reasons:

- Your death;
- Termination (voluntary or involuntary) of your employment or reduction in hours of employment;
- Divorce or legal separation;
- You become eligible for Medicare; or
- Your child is no longer considered a "dependent child" under the terms of our insurance policy.

## **Your Responsibilities Under COBRA**

Under the law, you or your family member has the responsibility of informing the Manager of the Business Management Group within 60 days of a divorce, legal separation, or Social Security disability determination that a qualified beneficiary was disabled at the time of your termination or reduction in hours, or when one of your children loses eligibility for dependent status.

## **Election Period**

Once the Manager of the Business Management Group has been notified of a qualifying event, he (she) will provide information about COBRA rights, premium payments, and a COBRA election form to you and/or your covered dependents. Under the law, you have 60 days after that to elect COBRA coverage. If you do not choose COBRA, your group health insurance coverage will end.

## **Continuation of Benefits**

If you elect COBRA, you will receive identical coverage provided under the plan to similarly situated employees or family members. Your right to continue coverage under COBRA will continue for at least 18 months, and in some situations up to 36 months. You will be advised as to the maximum length you may continue COBRA coverage at the time of your election.

Once your COBRA rights have expired, you are entitled to convert your coverage to an individual plan as provided under the insurance policy in effect at the time.

Under COBRA, your continuation of coverage may be cut short for any of the following reasons:

- 1) We no longer provide group health insurance coverage to our employees;
- 2) You do not pay your monthly premium on time;
- 3) You or your dependent(s) become covered under another group health plan that does not include a preexisting conditions clause that applies to you or to a covered dependent; or,
- 4) You become covered under Medicare.

## **Payment of Premiums**

COBRA premiums are due on the first of each calendar month. Payment by check or money order must be sent to Manager of the Business Management Group. The law provides a 30-day grace period for premium payments, however, repeated late payment of premiums or payment by check without sufficient funds can result in loss of your COBRA coverage.

## LONG-TERM DISABILITY INSURANCE (LTD)

To provide income continuation in the event of long-term disability, long-term disability insurance may be available through the health insurance plan. Consult this plan for details on this benefit.

## PAID TIME OFF

Paid time off (PTO) is intended to provide employees with a reasonable period of time each year to be free of job responsibilities.

Instead of earning pay for sick leave, holidays, and vacation, full-time employees will accrue paid time off according to the amount of time the employee has worked for Pickering Associates.

<b>Years Working</b>	<b>Accrued Hours Per Employment Month</b>	<b>Days of PTO Per Employment Year</b>	<b>Hours of PTO Per Year</b>
0 – 1	4.67		
1 – 2	8.67	13	104
3 – 8	12.00	18	144
9 & up	15.33	23	184

We encourage employees to take paid time off annually. Unused accrued PTO may be carried over from year-to-year, up to a maximum accrual balance of 80 hours. Once you have reached this maximum year-end accrual, employee is requested to take time off or request management approval for compensation.

Generally, you may not take your paid time off unless it is accrued. On occasion a special circumstance (e.g., marriage, spouse's vacation time, etc.) may warrant a request to take paid time off prior to accrual. Unaccrued PTO requests approval must be recommended by your supervisor and approved by management in advance, and only if you agree, in writing, to reimburse us for used, unaccrued paid time off should you leave our employ for any reason prior to the paid time off being accrued.

PTO requests should be submitted as far in advance as possible, but not less than one week prior to the beginning of the PTO period requested. Because of work requirements (e.g., customer commitments) it may be necessary from time to time to withhold approval of a requested vacation. We retain the right to decline requests at our discretion. However, whenever possible, we will try to accommodate vacation requests.

When more than one person within a department with the Company wants to take PTO at the same time, the employee with the longest continuous employment with the Company will have first choice in scheduling vacation. However, after PTO is scheduled, if the senior employee changes his or her PTO, he or she cannot disrupt the plans of another employee (i.e., he or she does not take precedence over another employee who has already scheduled PTO for that period).

PTO time off is not counted as hours worked for the purpose of calculating overtime.

PTO does not accrue while an employee is on FMLA or leave of absence. PTO accrual resumes the first full pay period following return to active employment following such leave.

## **PROFIT SHARING PLAN**

The Company has developed a profit sharing plan which recognizes the performances of the company throughout the year and is currently paid at the end of the year. This plan recognizes such items as:

- Company performance in excess of “Return of Investment” goals of stockholders
- Personal Development and Market Development
- Management Responsibilities
- Education and Training opportunities exercised

## **RETIREMENT PLAN**

The Company has a Simple IRA plan that matches employee contributions up to 3% of the employee’s income. Additional monies can be paid by the employee, and employees are eligible after the 90 day probationary period.





# ***Leave of Absence***

## **TIME OFF TO OBSERVE RELIGIOUS HOLIDAYS**

If possible, we will allow time off without pay to observe religious holidays that are not otherwise company holidays. Employees must notify management of the intent to take time off to observe a religious holiday at least three weeks before the date of the religious holiday. If vacation time is available, it may be used for the observance of such holidays, otherwise, such time off is without pay.

## **FAMILY AND MEDICAL LEAVE (FMLA)**

We comply with provisions of the federal Family and Medical Leave Act (FMLA) and where applicable, state family and medical leave laws. The following summarizes your rights under the FMLA.

### **Types of Absences Covered**

Under the FMLA you may take up to 12 weeks within a 12-month period of unpaid leave of absence for:

- The birth of your child;
- Care for your newborn child (birth - 12 months of age);
- Placement of a child with you for adoption or foster care;
- The serious health condition of your parent, child, or spouse which requires care provided by you; or,
- Your own serious health condition causing you to be unable to perform your job.

### **Serious Health Condition Defined**

Serious health condition is defined as any injury, illness, or impairment that involves:

- Inpatient care (overnight stay) in a hospital, hospice, or residential medical care facility;
- Continuing treatment by a health care provider which includes a period of incapacity for a period of three or more consecutive calendar days; or,
- requires two or more treatments (visits) to the health care provider; or,
- requires at least one visit to the health care provider followed by a regimen of continuing treatment under the supervision of the health care provider.

## **Chronic Conditions**

Chronic conditions also are covered by the FMLA. Chronic conditions are defined as a condition which:

- Requires periodic visits for treatment by a health care provider;
- Continues over an extended period of time; or,
- May cause episodic rather than a continuing period of incapacity (*e.g.*, asthma, diabetes, epilepsy, etc.).

## **Eligibility for FMLA**

To be eligible for FMLA leave you must have worked for us for at least one year, and must have worked at least 1,250 hours in the year preceding your request for FMLA leave.

## **Length of Leave**

Under the FMLA you are entitled to leave as long as a physician (or other legally qualified health care provider) certifies that your condition (or the condition of your family member) necessitates your absence up to a maximum total of 12 weeks within a 12-month period. This 12 weeks includes sick leave, vacation and other paid time (*e.g.*, short-term disability or workers' compensation) taken while on FMLA.

For example, if you have 10 days accrued sick leave and 10 days accrued vacation at the time your FMLA leave begins, the first four (4) weeks of your FMLA will be with pay and eight (8) weeks will be without pay for a total FMLA leave of 12 weeks.

## **Intermittent Leave**

If your, or your family member's condition requires only periodic treatment (*e.g.*, chemotherapy or dialysis), you may request FMLA leave on an intermittent basis. Intermittent leave can be taken in hourly increments and will be counted toward the 12 week allotment in the increments taken (12 weeks = 480 hours, or a prorated portion for part-time employees).

## **12-Month Period Defined**

The twelve month period for FMLA eligibility begins with the date of first absence qualifying for FMLA leave, and rolls forward from that date. In other words, how much FMLA leave you are entitled to depends on how much time you have taken during the twelve month period prior to your request for leave.

For example:

If you take four weeks FMLA leave beginning September 1, 1996, and then take another four weeks beginning January 1, 1997 (total eight (8) weeks), you would only have four weeks FMLA leave allotment available until September 1, 1997.

## **Sick Leave and Vacation While on FMLA Leave**

If at the time your FMLA leave begins you have accrued sick leave and/or vacation, you will be required to use that time while on FMLA leave. Once accrued sick leave and vacation are used, the remainder of your FMLA leave will be without pay.

Sick leave and vacation do not accrue while on FMLA leave. Sick leave and vacation accrual will resume the first full pay period after you return from leave.

## **Benefits Continuation While on FMLA Leave**

While on FMLA leave your health care benefits will continue as if you are actively employed (we will pay 50% of your premium, and you pay 50% of the monthly premium for your coverage) up to a maximum of 12 weeks.

Payment of insurance premiums must be made by the 15th of each calendar month, and will be considered delinquent if not received by the 30th of the month. Failure to pay insurance

premiums by the due date could result in loss of coverage. Likewise, payment of premiums with a check returned for insufficient funds could also result in loss of coverage.

If you do not return to work at the end of the 12-week FMLA period, you may continue health care coverage under COBRA.

If you fail to return to work for at least 30 days after an FMLA leave, you will be billed for health care premiums paid by the Company while you were on leave.

## **Leave Request**

When foreseeable, (*e.g.*, for childbirth or elective surgery), you are required to give at least 30 days written advance notice prior to taking a leave.

Unforeseeable circumstances do not require 30 days advance notice. In such case, you must give notice as soon as practicable. Failure to give timely notice may affect your ability to take leave as requested.

The Manager of the Business Management Group should be notified as soon as you are aware that FMLA leave is appropriate for your situation. You will be provided leave request and Physician's Certification forms to be completed. Your leave (and 12-week allotment) will commence from the first date of absence for the covered situation, regardless of when you formally request FMLA leave.

## **Return to Work**

You are expected to return to work when released by your health care provider (or when your family member is released). Failure to return to work when released by your or your family member's health care provider will be considered a voluntary resignation.

If you take leave for your own serious health condition, you must provide certification from your health care provider of your fitness to return to work.

If you return to work within 12 weeks, you will be returned to the same or a substantially similar position. Substantially similar position is defined as a job of similar job duties, job classification, work hours, location or comparable commute, and salary as that which you held at the time you went out on leave.

If you are not released to return to work within 12 weeks, you may request a personal leave of absence.

## **PERSONAL LEAVE OF ABSENCE**

If you encounter circumstances that are not covered by other leaves listed here, please contact Manager of the Business Management Group to explore the possibility of a personal leave of absence. Personal leaves are only available to employees who have worked for us for at least one year and are in good standing at the time the leave is requested. For the purposes of leave administration, "good standing" means that you have not been formally counseled about performance problems or placed on a performance improvement program for the 12 months prior to your request for personal leave.

The terms and conditions of personal leaves will be determined on a case-by-case basis, and established at the time that the leave is granted. The terms and conditions of personal leaves will be documented prior to the beginning of the leave. Generally, personal leaves will be without pay. While on personal leave you may continue your health care coverage under COBRA. We

reserve the right to grant or deny personal leaves of absence at our sole discretion.

Return-to-work from a personal leave is not guaranteed, but rather is on a position available basis. This means that you will be given priority consideration for placement into another position for which you are qualified provided that a vacancy exists at the end of your leave.

## **LEGALLY REQUIRED LEAVES OF ABSENCE**

Employees will be granted a leave of absence as required by law for the purpose of fulfilling any legal or military obligation (*e.g.*, jury duty, appearance as a witness in a legal proceeding, military reserve duty, etc.). Employees are required to provide reasonable advance notice of any need for such leave and are expected to return to work each day or portion of the day that they are not selected for jury duty or called as a witness.

### **Military Training or Service Leave**

Employees who are called for duty in the armed forces (state or federal branch of service) are entitled to an unpaid leave of absence. The amount of leave to which you may be entitled depends on whether you are called to active duty or for training in either the state or federal reserves. Employees voluntarily joining the armed services also may be entitled to unpaid leave under applicable federal or state laws. For further information about military training or service leave contact the Manager of the Business Management Group.

### **Time Off to Vote**

Employees who do not have sufficient time outside of their regular working hours to vote in a statewide election may request time off to vote. Employees must request time off to vote at least two working days in advance of the election. Time off for voting will be at the beginning or end of the regular work shift, whichever is the most convenient for the Company.

# ***Work Related Injuries/Illnesses***



## **WORKERS' COMPENSATION INSURANCE BENEFITS**

We provide workers' compensation insurance for all employees. We pay the full cost of this coverage. For you to receive benefits, the injury or illness must arise out of, or in the course of your employment with us.

Workers' compensation benefits include partial payment of lost wages and/or payment for required medical treatment. Wage benefits generally begin several days after disability occurs. The benefit amount is determined by the insurance company, in accordance with state law. In the event of death due to a work related injury/illness, a death benefit may also be paid to your surviving spouse and/or children.

As workers' compensation wage benefits generally do not cover full salary, accrued sick leave and/or vacation will be paid to you to make up the difference between workers' compensation benefits and your wage or salary. Once accrued sick leave and vacation is used, you will receive only workers' compensation benefits.

If you are not able to work due to your work related injury or illness, your leave of absence will be a combined workers' compensation/FMLA leave. Your time off will count toward the 12 weeks leave to which you are entitled under FMLA. See pages 53 - 56 of this handbook for further information about your rights under FMLA.

## **Reporting Work Related Injury/Illness**

In the event of work related injury or illness, you are required to contact your supervisor and Company President **immediately**. This notification is required even if the injury/illness seems minor and/or no time is lost from work. This is necessary to ensure that any subsequent claim is handled correctly and to comply with legal reporting and record maintenance requirements. Failure to immediately report a work related injury could result in corrective action.

Failure to immediately report such injury or illness also may result in a claim being denied by both the workers' compensation and our medical insurance companies.

## **Return-to-Work and Continuation of Benefits**

Return to work from a work related injury/illness will be as outlined under FMLA. You will return to the same or a substantially similar position if you return before your FMLA entitlement expires. If you are not able to return by the time your FMLA leave expires, return-to-work will be on "position availability" as outlined under Personal Leave of Absence basis for a period of up to one year (see FMLA for further details). After one year, we cannot make any return-to-work

guarantees. Eligibility for insurance coverage continuation will be as outlined under FMLA. As is the case for all other leaves of absence, sick leave and vacation do not accrue while on workers' compensation leave.

## **Fraudulent Claims**

While it is our intent that employees who have legitimate claims will receive benefits due under workers' compensation, we also strongly support all laws designed to protect us against fraudulent claims or fraudulent extension of claims. Workers compensation is a valuable, but expensive benefit and we ask your help in protecting it by promptly reporting any evidence of fraudulent activity related to workers' compensation.

# ***Job Related Problem Solving***

## **CONFLICT RESOLUTION**

People working in close contact with each other will have misunderstandings, irritations and complaints from time to time. Even minor problems can develop into major problems if not resolved in a satisfactory manner.

The majority of job related problems can be resolved by the parties involved through open, honest, communication.

The following process is outlined as a suggested means of discussing problems with your co-workers.

- 1) Schedule discussions at a time that is mutually convenient for all parties involved. This will ensure that there is sufficient time for focused and thorough discussion.
- 2) State the issue at hand before beginning the discussion.
- 3) Each party should state, without rationalization or justification, the results they desire from the discussion.
- 4) Each party should state briefly their perception of the issue(s) at hand and possible solutions.
- 5) All parties should then work together to reach all goals (or reasonable compromises) set forth in step 3. During this step:
  - a) NEVER interrupt someone while he or she is speaking.
  - b) Keep your points brief (under 1 minute).
  - c) Use the goals set forth in step 3 as starting points for discussion.
  - d) Don't focus on the problem or its causes. Keep the discussion focused on **solving** the problem.

The intent of this procedure is to establish and maintain open lines of communication. While this process certainly guarantees no particular result, it does present opportunities to explore a problem from all points of view in an open and productive manner.

If after making a good faith effort, you are not able to resolve conflicts yourself, then seek the assistance of your supervisor or the Company Vice President. Any serious conflicts resulting in management intervention will be noted in the employee's file to protect all parties involved. On occasion, management may document conversations and ask the employee to sign the documentation to note correct reporting.

## **OPEN DOOR COMMUNICATIONS**

Our size and culture provides the opportunity to create a friendly, open work environment. By keeping the lines of communication open, we feel that we will all benefit from day-to-day work relations that are pleasant and enjoyable. To ensure that lines of communication remain open, you are encouraged to raise concerns and issues with the appropriate parties. You are invited to schedule an appointment with the Vice President whenever you feel the need for management assistance or would like to discuss a work related issue.

To protect our friendly work atmosphere, all employees are expected to treat each other with respect and conduct themselves professionally when discussing concerns or issues. Communications should focus on facts and resolving the problem.

Personality conflicts are counterproductive and create unnecessary tension among our work team. All employees are expected to work well together regardless of personal feelings for one another. Cooperative teamwork is essential to our success, and is accordingly, part of everyone's job responsibilities.

# ***Travel and Business Expenses***

## INTRODUCTION

We will reimburse employees for all reasonable expenses for travel, business meetings, and other expenses incurred on behalf of and in connection with authorized Company business.

Travel and entertainment (T&E) is one of the highest controllable expense items at Pickering Associates. Management of, and accountability for these expenditures rests with all employees incurring travel and entertainment expenses. We share a joint responsibility to use good business judgment when incurring, approving, or reimbursing these expenses.

Because the Internal Revenue Service places stringent requirements to substantiate T&E expenses, all expense reports must be thorough in detailing the purpose of the reimbursed expense and the business benefit derived from the expense. We will only reimburse out-of-pocket expenses actually incurred in the course of approved Company travel. You will not be reimbursed for the "value" of an expense which you did not actually incur.

Questions about T&E expenses and expense reporting procedures should be directed to your supervisor or the Manager of the Business Management Group.

## CORPORATE CHARGE CARD

Employees traveling extensively on overnight trips may be issued a corporate credit card. If issued a corporate credit card, you should use the card for T&E expenses whenever possible. Since we pay the fee for corporate credit cards, fees for other credit cards (*e.g.*, personal VISA/MasterCard) issued to you are not reimbursable, even if you use such cards for business expenses. The annual credit card fee will be included on your individual credit card statement. You should request reimbursement for this expense on your expense report. **Corporate credit cards must not be used for personal expenses. Use of the Corporate credit card for personal expenses could result in corrective action including termination of employment.** All charges to corporate credit cards must be accompanied by receipts that will be turned in to accounting.

## COVERED EXPENSES

The following expenses are reimbursable:

- **Air Fare**

Air fare for the purpose of business travel is fully reimbursable. Every attempt must be made to book travel plans at least seven (7) days in advance to take advantage of the lowest logical coach airfare. Air fare must be approved in advance by the Manager of the Business Group and Vice President to be reimbursable. The lowest air fare for your destination must be booked. You may fly the airline of your preference only if it offers the lowest fare available at the time you are scheduled to fly.

- **Use of Personal Automobile**

When using your personal automobile for business transportation, you will be reimbursed at the rate of \$0.31 per mile (minus the distance of your normal commute). Reasonable parking and tolls will also be reimbursed. Have mileage charges approved (at least conceptually) by your supervisor in advance if possible.

- **Shuttles, Taxis, Limo Service**

When traveling out-of-town, the most cost-effective means of public transportation should be utilized whenever possible. For example, if a shuttle or shared limo service is less expensive than a taxi, you should take either the shuttle or shared limo service.

- **Rental Car**

When renting a car is necessary due to lack of public transportation, or in the event that it provides the most cost-effective means of transportation, you may rent a car and will be reimbursed up to a maximum rental rate of \$50.00 per day. Unless car sharing with three or more individuals, compact class cars should be rented. Whenever possible, purchase the refueling option or refuel the car before returning it. Savings can be substantial with this effort.

Cars should be rented from the rental agency offering the lowest fare in the location visited, unless the agency offering the lowest rate cannot provide a car in a time frame that enables you to arrive on-time at your destination.

We have corporate coverage which provides insurance for rental cars used on Company business. Therefore, **do not** take any of the optional coverages such as Collision Damage Waiver (CDW) and Personal Injury Waiver (PIW) when renting a car in the continental United States. Please contact the Manager of the Business Management Group if you need an insurance identification card.

In the event of an accident while driving a rental car, immediately contact Manager of the Business Management Group.

- **Lodging**

We will reimburse actual hotel costs per night plus appropriate taxes and fees for lodging while traveling on company business.

Hotel no-show bills will not be reimbursed unless there are extenuating circumstances explained on the expense report and approved by your supervisor.

- **Meals**

We will reimburse you for actual meal expenses up to \$30 per day for meals (tips are



considered part of the maximum daily meal allowance). Exceptions to this Guideline should be made on a pre-approved basis. We do not reimburse expenses for alcoholic beverages unless they are purchased when entertaining a customer.

Receipts for meals should show the name of the restaurant, and also include the date, the amount of the meal, tip, and total. Avoid using cash tear tabs (the bottom of the restaurant check) whenever possible.

- **Entertainment Expenses**

The IRS has specific regulations restricting entertainment expenses. To be reimbursable, entertainment expenses must be directly related to the active conduct of business. Because of these regulations, we must require detailed and specific documentation of entertainment expenses including:

- 1) Amount spent (no approximations accepted)
- 2) Date of expense
- 3) Place of expense
- 4) Business purpose, subject discussed or nature of business benefit derived
- 5) Name, title, company and relationship of person(s) entertained or dined

The purchase of tickets to sporting events, theaters, etc., must be approved in writing by your supervisor prior to the event.

Entertainment is considered a Sales and Marketing activity. Other individuals not specifically involved in Sales and Marketing activities should not normally be involved in entertaining customers or potential customers.

- **Other Expenses**

**Tips:** Reimbursable up to a maximum of 15% of the services rendered (as shown by receipts for taxis, shuttles, restaurants, etc.). One dollar per bag is generally acceptable for airline porters and hotel bellmen.

**Personal Telephone Calls:** One personal call home per day will be reimbursable. Good judgment must be used when making your personal call home (calls should not exceed 15 minutes in length). Other personal calls should be charged to your personal phone credit card. Do not charge personal phone calls to your hotel room, if at all possible.

**Cellular Telephones:** Use of cellular phones are for company business. Personal phone calls on company cellular phones should be kept to a minimum during peak times, and excessive personal use of Company cellular phones may result in corrective action up to and including termination of employment.

**Visas/Passports/Inoculations Fees/Foreign Exchange Fees:** Any necessary fees incurred to obtain the appropriate approval to visit a foreign country on Company business will be reimbursed.

## **EXPENSES NOT COVERED**

The following expenses are **not** reimbursable:

- Air fare for chartered or private aircraft
- Memberships in airline clubs (*e.g.*, United's Red Carpet Club)
- Airplane headphones or use of airphones (except for emergency business use)
- In-room movies
- Personal entertainment (*e.g.*, movies, tickets to sporting events or plays) while traveling on business
- Alcoholic beverages (unless you are entertaining a customer or potential customer)
- Hotel laundry and dry cleaning (unless your trip exceeds 5 business days)

## **TRAVEL RESTRICTIONS**

In order to protect the best interest of the Company, it is necessary to limit the number of employees traveling together on a single flight:

- No more than one (1) corporate officer may travel on the same aircraft.
- No more than two (2) Pickering Associates employees may travel together on the same aircraft.

## **FREQUENT FLIER AND OTHER AWARDS**

Frequent flier miles and other travel awards earned while traveling on Company business are credited to you for usage at your sole discretion and are considered your personal property.

You can use your frequent flier and other travel awards for business travel and receive a "bonus" as follows:

- We will reimburse you for 50% of the normal cost for the flight, car rental, hotel that was provided free through such programs. For example, if you are traveling from San Francisco to Boston, and a normal air fare, within our travel guidelines, would cost \$1,300.00, and you use frequent flier mileage to "purchase" the ticket, we will pay you \$650.00.
- The "normal fare" will be established by our travel agent, using our travel guidelines and rates in effect at the time of the trip.
- In accordance with IRS regulations, such payment is considered compensation and accordingly, is subject to normal payroll taxes.
- Requests for reimbursement for use of frequent flier miles for business travel should be submitted to the Manager of the Business Management Group. He (She) in turn will establish the "normal fare," and return it to your supervisor for approval and submission to Payroll for payment. Your Boarding Pass(es) or other documentation must be attached to the request to receive reimbursement.

## **EXPENSES FOR SPOUSES OR OTHER TRAVELING COMPANIONS**

Generally, expenses incurred by or for a spouse or other companion traveling with you on Company business are not reimbursable unless he or she is accompanying you on a business-related activity where "spousal" participation is requested or invited by the Company. Spousal accompaniment on business travel must have the prior approval of the Vice President.

## **Extending Business Trips with Vacation**

If you extend the duration of a business trip by use of vacation time, thereby qualifying the entire trip for a reduced fare, we will reimburse you for the lesser of: (1) the total actual air fare, or (2) the air fare authorized for the business trip. For example, if the total air fare for the business leg of the trip is \$872.00, we will reimburse you \$872.00. However, if the air fare for both the business leg and your vacation is \$677.00, you will be reimbursed \$677.00. Any exception to this policy must be approved by the Vice President.

## **Staying with Friends and Relatives While Traveling on Company Business**

In some instances, you may have friends or relatives living in an area where business travel is required, and as a result choose to stay with such friends/relatives as opposed to utilizing hotel accommodations. If your stay with your friend/relative is three nights or longer, we will reimburse you for a "thank you dinner" for your hosts up to a maximum of \$100.00 (plus your normal meal allowance). You must submit a receipt for such expense to receive reimbursement.

## Traveling on Weekends

Any weekend business travel must be approved by the Vice President. If your weekend travel results in a lower air fare, we will cover the cost of your hotel room for two additional nights as long as the combined cost of your air fare and the hotel room does not exceed the cost of air fare had you not traveled on the weekend. For example, if the normal cost of your air fare would be \$1,267.00, but by staying over the weekend the air fare is reduced to \$563.00 and two nights hotel is \$278.00, we will reimburse you for your weekend hotel expense because the combined total of air fare and hotel ( $\$563.00 + \$278.00 = \$841.00$ ) is less than the weekday air fare.

Staying over weekends to save air fare is not required. **It is strictly optional** should you wish to take advantage of business travel to do some sightseeing, vacationing, or visit friends or relatives. We offer payment of up to two nights hotel as a way of sharing the air fare savings usually offered by staying over a weekend. Because weekend stayovers are strictly optional, we will not reimburse you for meal, rental car, and entertainment expenses you may incur over the weekend.

In the rare event that a weekend stayover is required by the Company you may request an "authorization for weekend expenses" from the Vice President. This authorization must be in writing, signed by the Vice President **prior** to your departure. With written authorization from the Vice President, we will reimburse you for expenses incurred on the weekend following T&E policies outlined above.

## EXPENSE REPORTS

All expenses must be submitted on a Company expense report form. Expense report forms can be obtained from your supervisor or the Accounting Department. Expense reports must be completed and submitted to your supervisor for approval within seven (7) days of your return.

Expense checks are issued once each month, unless other arrangements have been made. You will receive reimbursement within two weeks of when your supervisor submits the approved expense report to the Accounting Department.

Certain types of expenses (such as meals) have limits as to the amount allowed as deductible on the Company's tax return. Therefore, it is important to properly classify all business expenses. Original receipts are required for all expenses (except meals less than \$25) and should be attached to the expense report. This speeds the approval and reconciliation process. These correctly completed receipts also substantiate the Company's business deduction with the IRS.

Reviewing and approving expense reports requires a significant amount of time. Please review your expense reports for accuracy and required receipts before submitting them. Expense reports which have been filled out incorrectly (*e.g.*, illegible entries, missing receipts, etc.) will be returned to you for correction, and will then be processed on the next expense check cycle. To

expedite the approval process, any item outside our T&E guidelines should be accompanied by an explanation (*e.g.*, "Full size car rented instead of compact because I had to transport four people.")

## **INTERNATIONAL TRAVEL AND ACCOMMODATION**

International travel is defined as all travel outside North America and Hawaii.

- Air travel - international air travel will be booked economy class unless an employee has a certificate for upgrade to business or first class and chooses to use it as outlined above.

Employees may express an airline preference as outlined above.

- Hotel - generally, hotel arrangements will be made at mid-price ranged hotels which are close to the office/location which you are visiting. Corporate rates will be obtained whenever possible.
- Cars - when you are not able to stay within walking and/or public transportation or reasonable taxi fare distance to the office/location which you are visiting, a car may be rented as outlined above, provided that you obtain an international driver's license.

Expense reimbursement applies to international travel as outlined above. When dollar amounts are mentioned, the local foreign currency equivalent to U.S. dollars should be applied. Spousal expenses when joining an employee on international travel are not reimbursable.

Guidelines for international travel exceeding three months in duration are outlined under International Assignments under the Relocation section of this handbook.

# ***Safety and Health***

## SAFETY AND HEALTH

At Pickering Associates, we believe that an effective safety program requires proper job performance from everyone in the workplace.

We have made a commitment to ensure that all employees know about the materials and equipment they are working with, what known hazards are present, and what is being done to control or eliminate these hazards. As part of our commitment to workplace safety and health, we have established a company safety manual. This manual is reviewed with all employees during new employee orientation and in Safety Meetings conducted periodically.

It is extremely important that each employee understand the following rights and responsibilities:

- No employee is expected to undertake a job until he or she has received instructions on how to do it properly and has been authorized to perform that job.
- No employee should undertake a job that appears to be unsafe or use chemicals without understanding their toxic properties.
- Mechanical safeguards must be in place before operating any piece of machinery, and must stay in place while that machinery is being operated.
- Each employee is expected to report all unsafe acts or conditions encountered during work or on company property to his or her immediate supervisor.
- Any injury or illness which you believe to be related to work at Pickering Associates, no matter how slight must be immediately reported to your supervisor.
- Every employee is responsible for housekeeping duties. Good housekeeping is one of the most important factors in accident prevention.
- Employees are expected to assist management in accident prevention activities. Our safety and health program will continue to be improved only through the joint efforts of all employees.

Questions help us identify areas where more information is needed, and then allows us to provide you with sufficient information to perform your job safely. **PLEASE** ask questions!!! Employee suggestions and identification of potential hazards are critical to the success of our safety efforts, so **PLEASE** make suggestions.

Contact the Company Safety Representative with any questions or comments you may have about our safety program. Thank you for your cooperation and support of this program.

## OUR INJURY & ILLNESS PREVENTION PROGRAM

## KEY POINTS TO REMEMBER

Note: The following summarizes key points from our written Injury & Illness Prevention Program. If you wish to review a copy of the complete plan please contact the Company Safety Manager.

Every employee should know that:

- We place a high priority on employee safety and health.
- Creating and maintaining a safe and healthy work environment is **EVERYONE'S** job.
- All employees are expected to adhere to established safety standards, and to actively participate in our safety program, including training programs.
- Employees who do not adhere to established safety standards will be subject to corrective action, including the possibility of termination.
- Good housekeeping is essential to maintain a safe and healthy work environment. Employees are expected to maintain a neat work area, properly discard all waste materials, and avoid creating hazards by properly storing materials and equipment.
- As part of our efforts to maintain a safe and healthy work environment, we will conduct worksite inspections on an as-needed basis, and at least quarterly.
- Accidents and/or injuries, no matter how minor should be immediately reported to your supervisor and Company Safety Manager. All accidents and/or injuries will be investigated, and appropriate corrective action will be taken in a timely manner.
- Matters pertaining to occupational safety and health will be communicated to employees through memos, bulletin board notices and verbally in staff meetings.
- Employees are encouraged to report safety/health hazards either verbally, or in writing, using an **Employee Safety Reporting Form**. Written suggestions/hazard reports should be forward to Company Safety Manager. Employees may submit suggestions anonymously if they choose.
- Employees who report hazards and/or make suggestions will not be retaliated or discriminated against in any way. If an employee believes he or she has been retaliated or discriminated against, he or she should immediately discuss the situation with Company Safety Manager.
- Material Safety Data Sheets (MSDS) are posted wherever hazardous materials are used. Employees should read the MSDS prior to using any hazardous substance. A complete set



of MSDSs is also maintained by Company Safety Manager.

- Safety training will be provided whenever an employee is assigned a new task, and whenever new substances, processes, procedures or equipment are introduced to our workplace.
- Refresher training on topics related to general safety will be conducted on an as-needed basis, but no less than quarterly.

## CODE OF SAFE PRACTICES

The following safe practices apply to all employees. As a condition of employment, each employee is expected to adhere to the following safe work practices:

- 1) Follow all safety practices, render every possible aid to safe operations, and immediately report all unsafe conditions to your supervisor or Company Safety Manager.
- 2) Immediately report all accidents, injuries and illnesses related to work to your supervisor and Company Safety Manager.
- 3) In the event of a fire, sound the alarm and then evacuate the building in accordance with designated evacuation procedures.
- 4) Upon hearing the alarm, stop work and proceed to the nearest clear exit. Gather at the appointed location (emergency headquarters).
- 5) Only trained and designated workers may attempt to respond to a fire or other emergency.
- 6) Fire extinguishers shall be kept clear at all times.
- 7) Employees shall not store excessive combustibles (paper, etc.) in work areas.
- 8) Aisles, hallways and doorways shall be kept clear at all times.
- 9) No horseplay is allowed at any time. The use of intoxicating substances on the premises is prohibited.
- 10) For VDT work stations, background and screen lighting shall be compatible and adjustable. "No glare" screens are available and use of them is encouraged.
- 11) VDT screen positions should be positioned to prevent eye, back and muscle strain.
- 12) Chairs and VDT keyboards should be positioned to prevent eye, back and muscle strain.

- 13) Workstations and surrounding areas should be kept free of debris and excess electrical cords.
- 14) Caution should be exercised when moving about the office to prevent falls or collision with furniture, equipment and/or other employees.
- 15) File cabinet and desk drawers shall be opened one at a time and closed when work is finished.
- 16) Care should be exercised when closing file drawers to prevent finger/hand injuries.
- 17) When carrying objects, care should be exercised to avoid overexertion and strain. When lifting heavy objects, the large muscles of the leg instead of the smaller muscles of the back shall be used.
- 18) Employees should take regular rest periods, and should vary work periodically to minimize strain.
- 19) Employees shall follow all prevention methods outlined in training sessions provided.
- 20) Work shall be well planned and supervised to prevent injuries in the handling of all materials and equipment.
- 21) Employees shall cleanse themselves thoroughly after handling hazardous substances and follow all instructions pertaining to the use of such substances.

## **WORKPLACE SECURITY PROGRAM**

Workplace security is a safety issue that requires everyone's attention. Unfortunately, acts of aggression and violence have become common in the American workplace. The types of workplace violence that may affect us at Pickering Associates include:

- A violent act by an assailant with no legitimate relationship with our company, who enters our premises to commit a robbery or other criminal act.
- A violent act or threat of violence by a recipient of a service provided by our company.
- A violent act or threat of violence by a current or former employee, or another person who has some employment-related involvement with our business (*e.g.*, spouse, relative, friend, or any other person who has a dispute with one of our employees).

To ensure that our employees do not become victims of such acts, all employees must:

- Understand that violent acts or threats of violence toward another employee, visitor, customer, or vendor of the Company will not be tolerated and could be grounds for immediate termination.
- Follow the procedures for unlocking and locking offices. These procedures have been

designed to protect against intruders gaining entry to our premises.

- Be aware of your surroundings and report any unusual or suspicious activity.
- Immediately report any threats of violence or acts of aggression to your supervisor.
- Immediately advise your supervisor if you are having a domestic or other non-work related dispute that may come into the workplace (this is important for your protection and the protection of your co-workers).

## **VISITORS/VENDORS**

To further protect our employees, all visitors and/or vendors must be escorted by an employee when on company premises. You are responsible for ensuring that visitors and vendors meeting with you at our facilities conduct themselves in a manner that is consistent with our general practices.

Visitors and vendors should wait in the reception area until the person they are visiting comes to greet them. Visits for the purpose of conducting personal business should be avoided whenever possible.

Visitors and vendors who ask to use our telephones should be instructed to charge toll and long distance calls to their own credit card or office phone.

## **EMERGENCIES AFFECTING OPERATIONS**

We will always be open for business during normal working hours. In the event of emergencies that affect normal business operations (*e.g.*, earthquake, unusual storm conditions, etc.) management will make a determination whether the office will be open or closed, and will notify employees by phone or other possible means (*e.g.*, note on door).

If we are unable to occupy our office due to any emergency, employees may be asked to report to work elsewhere.

You will be paid for time off due to emergency closure for up to three days. If we are not able to resume business operations within three days, further time off will be without pay. Should such circumstance occur, you may use accrued vacation to cover unpaid time off.

## **EMERGENCY EVACUATION**

You will find the Evacuation Plan for our office posted in the breakroom. Please take time to

become familiar with this plan. Employee safety and the safety of others is dependent on knowing what to do in the event of an emergency.

In the event of an emergency evacuation, all employees must immediately report to the Parking Lot (our Emergency Headquarters). All employees are to remain at Emergency Headquarters until a roll call is completed and instructions are given. Employees may only leave Emergency Headquarters after receiving permission from the President, or in his or her absence, the most senior manager present during the emergency. Strict compliance with this procedure is essential to your safety.

## HOUSEKEEPING

Good housekeeping by all of us is important to maintain a safe and healthy work environment. It means better and more pleasant working conditions, helps reduce accidents, adds to the efficiency of our operations, and contributes to the quality of our work and the services we provide.

The appearance of our workplace and our employees is very important to our efficiency, and to conveying the right message to our customers and prospective customers.

Some examples of how employees can assist with housekeeping tasks include:

- All desks/work tables should be kept neat and orderly at all times with all materials put away in files or cupboards at the end of the day.
- Empty coffee cups, dishes and other kitchen items should be removed from desks and washed at the end of each day. DO NOT stack dishes in the sink!
- The breakroom should be kept neat and tidy at all times. This is everyone's responsibility.
- Conference areas should be straightened up immediately after each meeting.
- Recyclable materials such as computer papers, soft drink cans, etc., should be put in the appropriate "recycling" containers.
- Employees are encouraged to conserve energy. Turn off lights when not needed, close doors in heated or air conditioned areas, turn down the heater/air conditioner half an hour before the end of the work day.
- Eating areas should be thoroughly cleaned immediately after eating, before returning to work.
- Shut off lights and equipment, and lock up the office when you are the last one to leave at night.

## **PARKING**

Parking at our facilities, or when driving on company business is at your own risk. We do not assume liability for theft or damage to your car or personal belongings.

## EMPLOYEE HANDBOOK RECEIPT AND ACKNOWLEDGMENT

(PLEASE SIGN & RETURN TO YOUR SUPERVISOR)

I, \_\_\_\_\_, acknowledge that I have reviewed the Pickering Associates Employee Handbook (Handbook). I agree to familiarize myself with the information in this handbook and to observe the guidelines set forth herein. I understand that this handbook does not form a contract between the Company and me; it is only intended as a general statement of current Company employment practices.

I also understand that the Company may change, rescind, or add to any procedures, benefits, or practices described in this handbook from time to time at its sole discretion, with or without prior notice to any employee. I understand that such changes will be done in writing and signed by the Vice President.

I also understand that in the event that verbal or written communications issued before or subsequent to my receipt of this handbook appear to alter the contents of this handbook, the guidelines set forth herein will be considered the official position of the Company unless the handbook is revised in writing, and such revision is signed by the President.

I understand that this handbook supersedes all prior human resource policies, verbal communications, staff meeting minutes, and/or management memos which may have been previously issued on subjects herein.

I also understand and agree that my employment with the Company is strictly voluntary and at-will on both sides and may be terminated by either myself or the Company at any time, with or without notice, with or without cause or reason. This mutual "at-will" relationship can only be changed in writing signed by myself and the President. I acknowledge that no promises or representations inconsistent with this at-will relationship have been made to me. I also acknowledge that no future statements interpreted by myself as promises or representations inconsistent with our at-will relationship are binding, and that this at-will relationship is the final and binding term of my employment with the Company.

I also agree that any dispute arising out of the termination of our employment relationship shall be resolved pursuant to mandatory arbitration at the written request of either the Company or myself. This agreement provides that such arbitration shall comply with and be governed by the provisions of the Federal Arbitration Act.

My signature below indicates that this, including the sections on Confidentiality and Competition With The Company is the complete agreement between myself and the Company.

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

Employee's Name (Please Print) \_\_\_\_\_

Date Signed \_\_\_\_\_

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# ***APPENDICES***

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# ***Appendix A***

## ***Company History, Mission, Products and Services***



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## About Pickering Associates

Pickering & Davis, Inc. was incorporated in the State of West Virginia in January of 1988, with a Certificate of Authorization to provide engineering services in the State of Ohio. Pickering & Davis was founded by Charles etc. Davis and Charles L. Pickering primarily to provide electrical engineering support for the construction company that Chip and Chuck were then employed by Pickering Electric Company of Marietta, Ohio. **Pickering Associates's Mission**  
Pickering Associates mission is to provide multi-disciplined engineering services to our customers which are High Quality - exceeding their expectations and delivered in a timely manner.

These engineering services are provided by a company that (1) Values its employees and families, (2) Minimizes the impact of its operation on the environment, and (3) Fosters the development of its employees and is a fun place to work.

Pickering Associates intends to provide high quality engineering services for its customers in a friendly operating environment, one that respects the owner, company and employee's interests. We recognize that:

- The owner wants a quality design which meets his expectations, needs and desires as a finished product, is straight forward in operation, is delivered in a timely manner, and is implemented in a manner which will be energy-efficient for long term operation.
- The Company wants projects which are challenging, which can be implemented in an environment of trust and open communication, and a reasonable return for its invested financial and human resources
- The employees want a stimulating work situation--one where growth and personal development is encouraged, and where an environment of mutual respect underlies all that is done.

The above goals shall be implemented on the foundation of Safety and respect for the laws and regulations of our land, and with humility and reverence for GOD.

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***Appendix B***

***Orientation***

***Period for New Employees***

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## **ORIENTATION PERIOD FOR NEW EMPLOYEES**

We believe that a thorough pre-employment interview process is essential to beginning a mutually rewarding working relationship. There are, however, certain determinations that can only be made after employment has commenced. The "orientation period for new employees" is intended to provide new employees an opportunity to demonstrate abilities discussed during the interview process. It also provides new employees an opportunity to evaluate whether the new position and the Company meet their expectations.

### **Length of Orientation Period**

Your first three (3) months of employment are considered to be your orientation period. During this time you are asked to seriously consider your satisfaction with us. Consider our style, the environment, the work ethic, co-workers, company policies and practices, your supervisor's and the Company's expectations, benefits, and how you view your potential with the Company. We will likewise use this period to evaluate whether we believe you meet our organizational needs.

### **Eligibility for Benefits**

You will be eligible for health, dental, life, and disability insurance benefits on the first of the month following three months employment. Other benefits such as vacation and sick leave may not be used until you have completed your orientation period. Further information about benefits eligibility is provided in the Benefits section of this handbook.

### **Status After Completion of the Orientation Period**

Upon completion of the orientation period, you will be referred to as a "regular" employee. Completion of the orientation period and your designation as a regular employee should not be taken as an indication that you are guaranteed future employment. All employees, regardless of status or duration of employment are "at-will," and are required to meet and maintain company standards for job performance and behavior. During or following this period, you or the Company may terminate the relationship at-will, with or without cause or reason, with or without prior notice, regardless of the time lapsed since your date of hire.

### **Performance Evaluation During Orientation Period**

As the orientation period is designed to allow you an opportunity to evaluate our suitability as an employer, and us the opportunity to evaluate your fitness for our organization, periodically you will be given feedback on your performance from your supervisor. Likewise, you should give your supervisor feedback on how you feel about your employment with us. Supervisor feedback can range from casual, informal verbal conversations to formal written performance appraisals. These are given at each supervisor's sole discretion.

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***Appendix C***  
***Drug Testing Policy***

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## Purpose

This policy is intended for office personnel and field employees to work in conjunction with the PMCA - Labor Management program and the Memorandum of Understanding between NECA and the IBEW local #968 and other jurisdictional areas as appropriate. Any conflicting conditions shall be brought to the attention of the management of Pickering Associates in writing for a determination or modification. Pickering Associates has a strong commitment to provide a safe and secure workplace for its employees and to establish programs promoting high standards of health.

The purpose of this policy is to provide guidelines for all concerned regarding substance use and abuse and to provide practical procedures for its administration.

## Definition

Substance abuse means the misuse or illicit use of drugs, or controlled substances such as heroin, marijuana, cocaine, or legally obtainable drugs not reported and being abused.

## Policy and Procedures

Policy and Procedures which apply to Pickering Associates employees considered for employment are addressed in the following statements:

- Applicants considered for employment.

In order to maintain a safe, drug-free environment for its employees, Pickering Associates, Inc. will not employ persons who are involved in substance abuse. Employees must submit to substance abuse testing before being employed.

- To implement this policy, the following procedures will apply.

- 1) Testing for drugs shall include pre-employment, continuing employment and existing employment for cause. For cause testing will be determined when there exists supporting evidence of impairment, accidents, or when the contractor has good reason to believe an employee has used an intoxicant.
- 2) Newly hired employees:  
All employees will have a current drug card or be tested as new hires in accordance with the substance use/abuse policy which has been approved by the customers and contractors.
- 3) Currently employed employees are required to maintain their drug card up to date in accordance with the substance use/abuse policy and grace periods established therein.

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- 4) Employees who test negative as new hires or pursuant to subsequent testing may come and go on the projects for a period of one year with a 15 day grace period (corresponding to when their card is current).
  - 5) The contractor and the program shall maintain current records on the currency of the drug cards, and shall inform the employee when their card is due to expire. It will be the employee's responsibility to update his/her card within the fine constraints detailed elsewhere.

## **Test Results and Appeals**

Employees who wish to appeal their test results must notify the program administrator within 24 hours of receipt of results. Employees must post in cash, the fee for another test confirmation using the same specimen but done by an alternate laboratory. The alternate laboratory will be mutually agreed to between contractor and the Company. If the second confirmation, which shall be a GC/MS (Gas Chromatography/Mass Spectrometry) confirmation, is negative, the employee will be reinstated with back pay and the test cost refunded by the contractor.

## **Eligibility**

Any employees who, for a valid reason, is unable to test on his/her designated date will be given an alternate date will be given within 5 days prior to or after the original date. Employees who refuse to submit to drug testing or test positive will not be eligible for retesting for a period of 30 days. Should the employees test positive on the second test, he/she will not be eligible for retesting for an additional period of 60 days or upon the completion of an approved rehabilitation program. If the employee fails subsequent tests, he/she will not be eligible for retesting for additional periods of 60 days, or upon the completion of an approved rehabilitation program. The employee must present written certification to the program administrator of the successful completion of a rehabilitation program. Arrangements for and costs of the rehabilitation program will be the responsibility of the employee.

An employee who is ineligible for work under this item will be dealt with by company supervisor.

- Upon successfully completing drug testing, employee will be issued a card certifying their eligibility for employment on an annual basis.

## **Analysis**

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The Drug Abuse Policy includes as a minimum qualitative analyses for the following drugs of abuse:

Amphetamine  
Barbiturates  
Benzodiazepines  
Cannabinoid

Cocaine  
Opiates  
Methaqualone  
Phencyclidine

Testing will include but not be limited to the following: pH, Urine, Specific Gravity, Creatinine

Plus any other test required by the customer.

## **Testing Rules and Rights**

Pickering Associates reserves the right to distribute copies of the test results to its customers to document the testing of employees provided this information is maintained confidentially.

Pickering Associates will provide information concerning the drug testing procedures prior to testing upon request.

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***Appendix D***  
***Corrective Action***



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## STANDARDS OF CONDUCT AND CORRECTIVE ACTION

Groups of people working together require certain guidelines pertaining to their conduct and relationships. Accordingly, our employees must be aware of their responsibilities to the Company and their co-workers.

We strive to take a constructive approach to disciplinary matters to ensure that actions which would interfere with operations or an employee's job do not continue.

Violations of our standards will result in one of the following forms of corrective action: discharge, suspension, written warning or oral warning. In arriving at a decision for proper action, the following will be considered:

- The seriousness of the infraction;
- The employee's past record; and
- The circumstances surrounding the matter.

Although there is no way to identify every possible violation of standards of conduct, the following is a **PARTIAL** list of infractions which may result in corrective action:

- Harassing an employee, customer, or visitor.
- Falsifying employment application, timecard, personnel, or other company documents or records.
- Completing or making an entry on another employee's timecard.
- Unauthorized possession of company or employee property, gambling, carrying weapons or explosives, or committing criminal acts on company premises or while working.
- Fighting, throwing things, horseplay, practical jokes or other disorderly conduct which may endanger the well-being of any employee on company premises or while working.
- Engaging in acts of dishonesty, fraud, theft, or sabotage.
- Threatening, intimidating, coercing, using abusive or vulgar language, or interfering with the performance of other employees.
- Insubordination or refusal to comply with instructions or failure to perform reasonable duties which are assigned.
- Unauthorized use of company material, time, equipment, or property.

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- Damaging or destroying company property due to careless or willful acts.
  - Conduct which the Company feels reflects adversely on the employee or company.
  - Performance which, in the Company's opinion, does not meet the requirements for the position.
  - Engaging in such other practices as the Company determines may be inconsistent with the ordinary and reasonable rules of conduct necessary to the welfare of the Company, its employees, or customers.
  - Negligence in observing safety rules.
  - Leaving your assigned workstation or the premises during work hours without authorization from your supervisor.
  - Making false, vicious, profane, or malicious statements about or toward another employee or the Company, that are damaging to the reputation of that person(s) or the Company.
  - Removing documents, materials, supplies, equipment, or merchandise from the premises of the Company or our customers without appropriate authorization.
  - Violation of safety and security procedures such as refusing to use safety equipment or assisting unauthorized individuals in gaining entry to our premises, or not following established security procedures.
  - Sleeping while on duty or at your work station.
  - Other circumstances for which the Company feels that corrective action is warranted.

This list is intended to be representative of the types of activities which may result in corrective action. Corrective action may range from informal counseling (verbal warning) to formal counseling (written warning) to termination of employment. The Company reserves the right to choose which type of corrective action is appropriate for the situation, and does not guarantee that an employee will be provided either a verbal or written warning before termination.

Each corrective action is a unique situation requiring individualized attention. Therefore, it is impossible to set forth a standard procedure for all corrective actions. Accordingly, this section is designed to provide a general description of corrective action procedures at Pickering Associates. It does not alter our employment-at-will relationship, nor does it create an expressed or implied contract between employees or the Company for a specified period of employment. Just as employees have the right to resign at any time for any reason, likewise, the Company also reserves its right to terminate employment at any time for any reason.

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# ***Appendix E***

# ***Termination***

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# TERMINATION

Each termination is a unique situation requiring individualized attention. Therefore, it is impossible to set forth a standard procedure for all terminations. Accordingly, this section is designed to provide a general description of termination procedures at Pickering Associates. It does not alter our employment-at-will relationship, nor does it create an express or implied contract between employees or the Company for a specified period of employment. Just as employees have the right to resign at any time for any reason, likewise, the Company also reserves its right to terminate employment at any time for any reason.

## Employee-Initiated Termination

As outlined in our employment-at-will agreement, employees are free to resign their position at any time, with or without cause, and with or without notice. Employees must submit notice of resignation in writing. Whenever possible, employees are asked to provide at least two weeks notice prior to leaving the company. In the event that after you have submitted your resignation, the Company elects to no longer utilize your services, you will be released of job duties and will be paid for the period of resignation up to a maximum of two weeks.

## Company-Initiated Termination

The Company may elect to terminate its employment relationship with an employee at its discretion, with or without prior notice.

In cases where an employee is at risk of termination for below standard performance, he or she will be counseled and provided an opportunity to improve. In such cases we will follow the procedure listed below:

- 1) The employee will receive a verbal counseling where he or she will be advised of the performance issues that need to be addressed. Documentation of this session will be provided to the employee and also placed in his or her personnel file.
- 2) If the employee's performance does not improve, he or she will be placed on a formal Performance Improvement Program for a period of at least 30 days, but not more than 120 days. During that time the employee will be provided an opportunity to meet specific goals and performance standards as established by his or her supervisor. The Performance Improvement Program will be documented. A copy of the Performance Improvement Program will be provided to the employee as well as being placed in his or her personnel file.
- 3) If an employee does not successfully complete his or her Performance Improvement Program and/or does not maintain acceptable levels of performance, he or she will then be terminated.

NOTE: This procedure applies only to termination for below standard performance. It does **not** imply that the Company will follow similar procedures prior to termination for other reasons.

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# ***Appendix F***

## ***Benefits***

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## **EDUCATIONAL/PROFESSIONAL DEVELOPMENT**

To encourage employees to continue their education, we provide an educational/professional development benefit covering the cost of job related training, classes, and educational conferences up to a maximum of \$500 per year per employee. To qualify for the educational assistance benefit:

- The course must be offered by an accredited college or university, or be sponsored by a recognized industry-related professional organization.
- The course must be work related (either directly to your job, or to the direct benefit of the Company).
- The course must be approved for coverage by your Department Head prior to taking the course/attending the conference.
- You must receive at least a "B" grade in the course, if the course is graded.
- Memberships in professional associations and attendance at trade shows are not covered by the educational assistance benefit.

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***Appendix G***  
***Telecommuting/Home Offices***

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## TELECOMMUTING

Some jobs are compatible with telecommuting. The Company may offer this work option as a benefit (not an entitlement) at its sole discretion on a case-by-case basis. The following outlines our telecommuting guidelines.

Telecommuting is an alternative work program available to employees in certain job categories. Contact your supervisor to determine if your job is eligible for telecommuting. Generally, employees must work on-site at least six months and meet or exceed performance standards to be eligible for telecommuting. The telecommuting option is offered as a benefit which is a privilege, not an entitlement. Accordingly, we reserve the right to decline requests to telecommute at our sole discretion.

Telecommuting is available through mutually agreed upon arrangements between the Company and employees who have been approved for telecommuting. Telecommuting is intended to enhance employee productivity, creativity, and satisfaction, and at the same time meet the needs of the Company and our customers. Telecommuting agreements are not permanent and will be terminated or adjusted as needed if it is determined that either the Company or employee needs are not being met.

Your salary, job responsibilities, benefits, and employer sponsored insurance coverage will not change due to telecommuting. As a telecommuter, you are expected to attend meetings and/or work at our offices at the direction of management. Telecommuters are also required to visit customers as needed to ensure good customer service. In other words, meetings with customers and/or in the office are to be scheduled at the convenience of customers or employees working in the office, not at your convenience. It is not acceptable to refuse to attend an in-person meeting because you don't want to leave your home office.

Professionalism in terms of job responsibilities, work output, etc., will continue to follow the standards set for all Pickering Associates employees.

Telecommuting must appear transparent to normal business activities. In other words, you must make yourself available to customers or co-workers when needed, and all work must be completed on time, meeting Pickering Associates quality standards.

The amount of time you are expected to work will not change due to telecommuting, Pickering Associates employees normally work 40 or more hours per week.



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## **HOME OFFICE REQUIREMENTS**

Since your home work space will be considered an extension of our office, you will be covered by our workers' compensation carrier for any injuries/illnesses related to the performance of your Pickering Associates duties performed at home. However, workers' compensation does not cover injuries/illnesses incurred at home that are not work-related. Work-related injuries/illnesses must be immediately reported to the Safety Representative.

Your home work space must be maintained in a clean, professional, and safe condition. You must set-up your home office in a location that is free from distractions. Also, when conducting business by phone, "home noises" (*e.g.*, running dishwashers and vacuums, TVs and stereos, family members talking, dogs barking) must not be overheard. Remember, the fact that you are working at home must be transparent to colleagues and customers.

## **HOME OFFICE SUPPLIES**

Supplies such as paper, pens, computer print forms, etc., for your home office should be obtained when you are in the Pickering Associates office. We will not reimburse you for home office supplies which you purchase yourself unless the expenditure is authorized in advance by the Manager of the Business Management Group.

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## ***Appendix H***

# ***Professional Organization Membership, State Registrations, and Professional Examinations***

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## **PROFESSIONAL ORGANIZATION MEMBERSHIPS, STATE REGISTRATIONS, AND EXAMINATIONS**

Pickering Associates encourages employees to join and participate actively in professional organizations which have as their objectives the furthering of professional growth, development, and competence.

Pickering Associates abides by all laws requiring providers of certain professional services to be licensed.

Licensing fees and professional organization dues are the responsibility of the employee unless authorized for payment by the Vice President.

Employees required to be licensed by federal or state law are required to maintain their license as a condition of employment. Failure to meet relicensing requirements (*e.g.*, lapse of license, failure to fulfill continuing education requirements) are subject to termination. Licensed employees are required to present proof of license renewal by the expiration date of their current license. Proof of license renewal must be presented to the Vice President.

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# ***Appendix I***

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