

These samples are provided because we believe that the key to controlling your workers' compensation insurance costs begins with effective employment hiring and training practices.

SAMPLE EMPLOYEE HANDBOOK

—
(MISSISSIPPI)

WARNING !!!

This sample Employee Handbook is being furnished to you as a courtesy. Stonetrust highly recommends that you consult legal counsel before implementing the enclosed document for use in your operations. The enclosed is only a sample document to be used as a guide to assist you in developing your own Employee Handbook; Stonetrust is not able to provide any warranties, express or implied, in regard to this documentation. This document is intended to help our policyholders create their own personnel policies and handbooks for distribution internally. You are encouraged to modify it to suit your organization. You may not distribute this document to other organizations, either for profit or free of charge.

Effective January 1, 2008

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SECTION 1 INTRODUCTION

This Handbook is designed to acquaint you with _____ (hereinafter “the Company”) and provide you with information about working conditions, benefits, and policies affecting your employment.

The information contained in this Handbook applies to all employees of the Company. Following the policies described in this Handbook is considered a condition of continued employment. However, nothing in this Handbook alters an employee’s at-will status. Unless specifically stated otherwise in writing, all _____ employees are at-will employees. This means that you may resign at any time, with or without cause. Similarly, the Company has the right to terminate your employment at any time, with or without cause. The contents of this Handbook shall not constitute nor be construed as a promise of employment or as a contract between the Company and any of its employees. The Handbook is a summary of our policies, which are presented here only as a matter of information.

You are responsible for reading, understanding, and complying with the provisions of this Handbook and any policies you may receive. Our objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1 CHANGES IN POLICY

This Handbook supersedes all previous employee Handbooks and memos that may have been issued from time to time on subjects covered in this Handbook.

Since our business and our organization are subject to change, we reserve the right to interpret, change, suspend, amend, cancel, or dispute with or without notice all or any part of our policies, procedures, and benefits at any time. We will notify all employees of these changes. Changes will be effective on the dates determined by the Company, and after those dates all superseded policies will be null.

No individual supervisor or manager has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with your direct supervisor.

1.2 EMPLOYMENT APPLICATION/EMPLOYMENT INFORMATION UPDATE

We rely upon the accuracy of information contained in the employment application, the employment information update, and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment. Employees are obligated to keep the Company updated on all contact and other personal information (such as status of marriage, beneficiaries, *etc.*)

1.3 EMPLOYMENT RELATIONSHIP

You entered into your employment with _____ voluntarily, and you are free to resign at any time, for any reason or no reason. Similarly, _____ is free to terminate its relationship with any employee at any time without reason and/or notice. Following the probationary period, employees are required to follow the Employment Termination Policy (see Section 3.13). No employee is guaranteed employment through the probationary period.

SECTION 2 DEFINITIONS OF EMPLOYEE STATUS

“EMPLOYEES” DEFINED

An “employee” of _____ is a person who regularly works for the Company for wages. Unless specifically stated otherwise in writing, all Company employees are “at-will” employees. “Employees” may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of _____ in the performance of their duties. Independent contractors are not “employees” of the Company.

EXEMPT: Employees whose positions meet specific criteria established by the Fair Labor Standards Act (FLSA) and who are otherwise exempt from the minimum wage and overtime pay requirements. Exempt employees are paid a set salary, regardless of the number of hours that they work each workweek. Exempt employees may have whole-day deductions made from their weekly salary for personal leaves of absences, unpaid sick leave, or disciplinary suspensions, as well as other deductions permitted by state and federal law (e.g., FICA). The Company will not make any improper deduction(s) from the weekly salary of an exempt employee. If an employee believes an improper deduction has been made, he/she must immediately notify his/her direct supervisor. Any improper deduction will be reimbursed by the Company to the affected employee on the next regular payday.

NON-EXEMPT: Employees whose positions entitle them to minimum wage and overtime pay under the FLSA criteria and are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per workweek.

REGULAR FULL-TIME: Employees who have completed the 90-day probationary period and who are regularly scheduled to work 40 or more hours per week. Generally, regular full-time employees are eligible for the Company’s benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME: Employees who have completed the 90-day probationary period and who are regularly scheduled to work less than 40 hours per week. Regular

part-time employees may be eligible for some, but not all, benefits sponsored by the Company, subject to the terms, conditions, and limitations of each benefit program.

TEMPORARY (FULL-TIME or PART-TIME): Those whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate or individuals who are hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change. Temporary employees are not eligible for any of the Company's benefit programs.

PROBATIONARY PERIOD FOR NEW EMPLOYEES: A new employee whose performance is being evaluated to determine whether further employment in a specific position or with _____ is appropriate. If a probationary employee completes the probationary period, the employee will be notified of his/her new status with the Company. In some instances, the Company may, at its sole discretion, choose to extend the probationary period.

SECTION 3 EMPLOYMENT POLICIES

3.1 NON-DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at _____ will be based on merit, qualifications, and abilities. The Company does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age, disability or any other legally prohibited criteria.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees are required to report issues of harassment, discrimination and/or retaliation in the manner prescribed in this Handbook, Section 4.3, Harassment/Discrimination.

3.2 NON-DISCLOSURE/CONFIDENTIALITY

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

- Compensation data;
- Financial information;
- Marketing strategies;
- Pending projects and proposals;
- Proprietary production processes;

- Personnel/Payroll information; and
- Conversations between any persons associated with the Company regarding Company matters.

Such confidential business information and trade secrets are given out only on a need-to-know basis. The Company takes measures to limit access to such information, including tracking who has access to the information and keeping the information secure. No employee may disclose any confidential business information and/or trade secrets without the written authorization of the President. Each employee will be required to sign a "Confidentiality Agreement," which is attached.

Employees who improperly use or disclose trade secrets and/or confidential business information will be subject to disciplinary action, including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

3.3 NEW EMPLOYEE ORIENTATION

Orientation is a formal welcoming process that is designed to make the new employee feel comfortable, informed about the Company, and prepared for their position. New employee orientation is conducted by a supervisor, and includes an overview of the Company history, an explanation of the Company core values, vision, and mission; and Company goals and objectives. In addition, the new employee will be given an overview of benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout the Company, reviews their job description and scope of position, explains the Company's evaluation procedures, and helps the new employee get started on specific functions.

A job description may be provided to each employee, which outlines employment status, department, immediate supervisor, and various job duties. Specific job responsibilities can and will change at the discretion of the Company, and will be disclosed to the affected employee(s). Questions about responsibilities and changed duties should be directed to the supervisor as soon as possible.

3.4 PROBATIONARY PERIOD FOR NEW EMPLOYEES

The probationary period for regular full-time and regular part-time employees lasts up to 90 days from date of hire. During this time, employees have the opportunity to evaluate our Company as a place to work and management has an opportunity to evaluate the employee. During this introductory period, both the employee and the Company have the right to terminate employment without advance notice or reason. Employment is at-will during the 90-day probationary period, with no guarantee of employment upon completion. The probationary period may be extended at the Company's discretion.

Upon successful completion of the probationary period, a 90-day review will be given and benefits will begin as appropriate. All employees, regardless of classification or length of service, are expected to meet and maintain Company standards for job performance and behavior (see Section 4, Standards of Conduct).

3.5 OFFICE HOURS

The Company's office is usually open for business from _____ a.m. to _____ p.m. Monday through Friday, except for Holidays (see Section 6.7, Holidays).

The standard workweek is 40 hours of work (see Section 5.3, Overtime). In the computation of various employee benefits, the employee workweek is considered to begin on Sunday (starting at 12:00 a.m.) through Saturday (ending at 11:59 p.m.), unless a supervisor makes prior other arrangement with the employee.

Attendance is absolutely necessary (see Section 4.1, Attendance/Punctuality).

3.6 LUNCH PERIODS

Employees are usually allowed a one-hour lunch break. Lunch breaks generally are taken between the hours of 11 a.m. and 2:00 p.m. on a staggered schedule so that your absence does not create a problem for co-workers or clients. Extended or prolonged lunch breaks without prior authorization are not allowed. In the case of a conflict or business need, the Company reserves the right to designate or cancel lunch breaks.

Employees are permitted to use the appropriate and designated facilities located in the building during lunch and breaks if they choose. Each employee is responsible for cleaning the area after use.

3.7 BREAKS

All full-time, non-exempt employees are permitted two fifteen-minute rest breaks per day at times determined by the employee and supervisor, with one fifteen-minute break to be taken in the morning and one in the afternoon. Breaks should be staggered to avoid disrupting the operations of any department.

Breaks are not permitted at either the beginning or end of the work day to offset arrival and departure times, nor may they be added to the lunch break. Employees who voluntarily work through their break periods will not be permitted additional compensation.

3.8 PERSONNEL FILES

Personnel files are the property of the Company and access to the information is restricted. Management personnel of the Company who have a legitimate reason to review the file are allowed to do so.

Employees who wish to review their own file should contact their supervisor. With reasonable advance notice, the employee may review his/her personnel file in the Company's office and in the presence of their supervisor. Copying of the file or making additions or deletions to the contents of the file is prohibited. Ex-employees are not allowed access to their files.

3.9 PERSONNEL DATA CHANGES

An employee's personnel data should be accurate and current at all times. It is the responsibility of each employee to promptly notify their supervisor of any changes in personnel data such as:

- Mailing address;
- Telephone numbers;
- Name and number of dependents; and
- Individuals to be contacted in the event of an emergency.

Employees are requested to use the "Employee Status Form" to keep the Company up-to-date on personnel data.

3.10 INCLEMENT WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt Company operations. The decision to close the office will be made by the supervisor.

When the decision is made to close the office, employees will receive official notification from their supervisors. Unless notified otherwise, employees are expected to report to work as scheduled.

3.11 EMPLOYEE PERFORMANCE REVIEW AND PLANNING SESSIONS

Supervisors may conduct performance reviews and planning sessions with all regular full-time and regular part-time employees annually, and may conduct informal reviews and planning sessions at other times at their discretion.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss the employee's current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, employee and supervisor discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and his/her supervisor to make and agree on new goals, skills, and areas for improvement.

The Company directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason among others, it is important to prepare for these reviews carefully, and participate in them fully.

New employees will be reviewed at the end of their probationary periods (see Section 3.4, Probationary Period for New Employees). After the initial review, the employee may be reviewed according to an annual schedule, or more frequently at the supervisor's discretion.

3.12 OUTSIDE EMPLOYMENT

Employees may hold outside jobs in businesses or professions *unrelated* to the business of the Company as long as the employee meets the performance and attendance standards of their job description with the Company, and the outside job does not create a conflict of interest with the Company. Unless an alternative work schedule has been approved by the Company, employees will be subject to the Company's scheduling demands, regardless of any existing outside work assignments.

The Company's office space, equipment, and materials are not to be used to obtain and/or perform outside employment.

3.13 CORRECTIVE ACTION

The Company expects each of its employees to use common sense and sound judgment in their conduct. To assist in this, the Company has established certain minimum work rules and standards of conduct (see Section 4, Standards of Conduct) as examples of what is expected. When an employee deviates from these rules and standards and acceptable conduct, the employee's supervisor will take corrective action.

Corrective action at the Company is usually progressive. That is, the action taken in response to a negative activity typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective actions includes an oral warning, a written warning, probation, and finally termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record.

Though committed to a progressive approach to corrective action, the Company considers certain rule infractions and violations of standards as grounds for immediate termination of employment. These include but are not limited to: theft in any form; insubordinate behavior; vandalism or destruction of Company property; being on Company property unauthorized during non-business hours; the use of Company equipment and/or Company vehicles without prior authorization by the supervisor;

untruthfulness about personal work history, skills, or training; divulging Company business practices and/or trade secrets; and misrepresentations of the Company to a customer, a prospective customer, the general public, or another employee. As such, the Company may proceed directly to any level of discipline, including termination, without first exhausting all lesser disciplinary steps at its sole discretion.

3.14 EMPLOYMENT TERMINATION

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

- **Resignation** – voluntary employment termination initiated by an employee.
- **Termination** – involuntary employment termination initiated by the Company.
- **Layoff** – involuntary employment termination initiated by the Company.

When an employee intends to terminate his/her employment with the Company, he/she is requested give the Company at least two (2) weeks written notice.

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

Any employee who terminates employment with the Company shall return all files, records, keys, and any other materials that are the property of the Company. Any employee failing to do so in a timely manner will be considered to have stolen such property and will be reported to the appropriate law enforcement authorities. Employees may also be required to reimburse the Company for the cost of these items. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding and due financial obligations owed to the Company will also be deducted from the employee's final check. Any employee who receives Company equipment will be required to sign a disclosure and authorization.

Employee's benefits will be affected by employment termination in the following manner: all accrued vested benefits that are due and payable at termination will be paid. Some benefits, such as health insurance, may be continued at the employee's expense (see Section 6, Benefits) if the employee is eligible and elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations of doing so.

3.15 SAFETY

Each employee is expected to exercise caution and common sense in all work activities. Employees must immediately report any unsafe conditions or activities to their supervisor. Employees who violate safety standards, cause hazardous or dangerous situations, or fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, including termination of employment.

In the case of an accident that results in injury, **regardless of how insignificant the injury may appear**, employees must immediately notify their supervisor, who will complete an incident report and notify the Human Resources Department.

3.16 EMPLOYEE REQUIRING MEDICAL ATTENTION

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee's personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site, the employee will be responsible for any transportation charges if the injury is not work-related. Furthermore, the Company's employees will not be responsible for transportation of another employee to the hospital or physician's office.

A physician's "return to work" notice will be required before an employee may return to work.

3.17 BUILDING SECURITY

All employees who are issued keys to the office are responsible for their safekeeping. Employees cannot make copies of keys and/or loan or provide them to anyone else. The last employee, or a designated employee, who leaves the office at the end of the business day must ensure that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend settings, and all appliances and lights are turned off, with the exception of the lights normally left on for security purposes. Employees are not allowed on Company property after hours without prior authorization from their supervisor.

3.18 INSURANCE ON PERSONAL EFFECTS

All employees should be sure that their own personal insurance policies cover the loss or theft of personal property left at the office. The Company assumes no risk for any loss or damage to personal property.

3.19 SUPPLIES; EXPENDITURES; OBLIGATING THE COMPANY

Only authorized persons may purchase supplies in the name of the Company. No other employee may incur any expense on behalf of the Company or bind the Company by any promise or representation without written approval from the Company.

3.20 EXPENSE REIMBURSEMENT

Business-related expenses incurred by an employee must have prior approval by a supervisor. Expenses not approved will not be paid. Reimbursement requests will be processed like an invoice. All completed reimbursement request forms should be turned in to Accounts Payable in the Baton Rouge office.

3.21 PARKING

Employees must park their cars in areas indicated and provided by the Company.

3.22 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at the Company, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances. Excessive personal visitors are not allowed.

3.23 IMMIGRATION LAW COMPLIANCE

The Company employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act of 1986, as amended.

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

SECTION 4 STANDARDS OF CONDUCT

The work rules and standards of conduct for the Company are important, and the Company regards them seriously. All employees are required to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the Company's business. Please note that any employee who deviates from these rules and standards will be

subject to corrective action, up to and including termination of employment (see Section 3.12, Corrective Action).

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment:

- Theft or inappropriate removal or possession of property of the Company or others;
- Falsification of timekeeping records (see Section 5.2, Timekeeping);
- Working under the influence of alcohol or illegal drugs (see Section 4.6, Substance Abuse);
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace (see Section 4.6, Substance Abuse);
- Fighting or threatening violence in the workplace;
- Boisterous or disruptive activity in the workplace;
- Negligence or improper conduct leading to damage of Company-owned, customer-owned, or co-worker-owned property;
- Insubordination or other disrespectful conduct;
- Violation of safety or health rules;
- Sexual or other unlawful or unwelcomed harassment (see Section 4.3, Harassment/Discrimination);
- Discrimination (see Section 4.3, Harassment/Discrimination);
- Excessive absenteeism or any absence without notice (see also, Section 4.1 Attendance/Punctuality and 4.2, Absence without Notice);
- Excessive tardiness or leaving work without permission;
- Unauthorized use of telephones, or other Company-owned equipment (see Section 4.4, Telephone Use);
- Using Company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage) (see Section 4.8, Internet/Computer Use);
- Unauthorized disclosure of business “secrets” or confidential information (see Section 3.2, Non-Disclosure/Confidentiality);
- Violation of personnel policies; and
- Unsatisfactory performance or conduct.

4.1 ATTENDANCE/PUNCTUALITY

The Company expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness places a burden on other employees and on the Company. The habitual inability to get to work on time will result in discipline up to and including termination.

If you are unable to report to work for any reason, you must notify your supervisor at least thirty (30) minutes before your scheduled starting time. You must follow-up any voice mail message as soon as possible, and no later than by the end of that day, until you have spoken to your supervisor or appropriate authorized person. You are responsible for speaking directly with your supervisor or another authorized person about your absence. It is not acceptable to leave a message on a supervisor's voice mail without follow-up, except in extreme emergencies.

If employees have unexpected personal business to take care of, they must notify their direct supervisor to discuss time away from work and make provisions as necessary. The Company may not be able to accommodate all such requests. Personal business should be conducted on the employee's own time.

If there comes a time when you see that you will need to work some hours other than those that make up your usual work week, notify your supervisor at least seven working days in advance. Each request for special work hours will be considered separately, in light of the employee's needs and the needs of the Company. Such requests may or may not be granted.

4.2 ABSENCE WITHOUT NOTICE

If you do not report for work and the Company does not receive proper notification of your status for two consecutive days, it will be assumed that you have resigned, and you will be removed from the payroll.

If you become ill while at work or must leave the office for some other reason before the end of the workday, you must inform your supervisor of the situation prior to leaving, unless you are experiencing a medical emergency. Merely notifying your supervisor does not necessarily mean that your absence will be excused.

4.3 HARASSMENT/DISCRIMINATION

A. Purpose:

The purpose of this policy is to describe why types of conduct will not be tolerated and the method by which allegations of workplace discrimination, harassment and/or retaliation should be reported by employees of the Company and the procedure by which such allegations will be dealt with by the Company.

B. Policy:

The policy of the Company is one of affirmative compliance with the relevant provisions of all applicable state and federal laws concerning discrimination, harassment and/or retaliation. The Company will not tolerate discrimination, harassment and/or retaliation against any employee by another employee, customer or vendor for any reason, including but not limited to: veteran status, race, color, religion, sex, marital status, national origin, physical or mental disability, age, political affiliation or union affiliation. Additionally, the Company will not tolerate discrimination, harassment and/or retaliation based upon an employee's pregnancy and use or non-use of tobacco products outside the workplace. Violations of this policy will result in disciplinary action up to and including termination.

C. Procedure:

1) Definition of Harassment/Discrimination:

Harassing and/or Discriminatory behavior may be either verbal or physical and which adversely affects the victim's job security, promotion or transfer opportunities, or any other terms and conditions of employment. Incidents of harassment/discrimination may be subjective in nature. As a guide for all employees and supervisors, unwelcomed sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature, regardless of gender, constitutes sexual harassment when:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment.
- Submission to, or rejection of, such conduct by an individual is used as a basis of employment decisions affecting such individual.
- Such conduct has the purpose or effect of substantially interfering with the individual's work performance or creating an intimidating, hostile or offensive working environment.

Harassment/discrimination may also include, but is not limited to, unwelcomed sexual advances, requests for sexual favors, and other verbal or physical conduct of a demeaning or offensive nature, including, as examples, offensive drawings, pictures, jokes, teasing or other offensive comments aimed at a person's veteran status, race, color, religion, sex, marital status, national origin, physical or mental disability,

age, political affiliation, union affiliation, or pregnancy or other protected status.

2) Definition of Retaliation:

Retaliation occurs when one is subjected to offensive or objectionable conduct or language because one initiated, participated in or cooperated with a complaint of harassment or discrimination or otherwise refused to comply with a harassing or discriminatory request that would otherwise dissuade the employee from making or supporting the complaint.

3) Employee Responsibility:

It is each employee's right and responsibility to immediately report breaches of this policy. Employees who have either been subjected to, witnessed or learned of any conduct that violates this policy must immediately report such conduct to their direct supervisor. If for any reason an employee does not wish to report the conduct to his or her direct supervisor, the employee may report to the Company President. Each employee has an affirmative obligation to immediately report violations of this policy, regardless of whether the employee was the target of the conduct, or he/she merely witnessed or otherwise learned of the violation. Employees, who violate any aspect of this policy, including a failure to report improper conduct, will be subject to discipline.

The Company is committed to ensuring that all employees are protected from conduct that violates this policy, and it is each employee's affirmative duty to report any such conduct. However, it is also the employee's obligation to only report situations that he/she truly believes constitute violations of the policy. Due to the serious nature of such a claim, an employee found to have made a false or malicious complaint, or to have provided false information in the investigation of a complaint, may be subject to disciplinary action, up to and including discharge.

4) Investigation:

The Company will promptly respond to all reports of violations of this policy. The Company's investigation may include discussions with the complainant, the alleged offender, and any witnesses. The Company will conduct each investigation in as confidential a manner as possible. However, by their nature, investigations will necessarily involve disclosing the names of the persons potentially involved in the questionable conduct. The Company will make reasonable efforts to inform the complaining party of the results of its investigation in a timely manner.

5) Corrective Action:

Management will consider the facts of the case and take corrective action as deemed appropriate. Such action may include counseling, disciplinary warning, transfer, demotion, discharge or other action. The employee bringing the issue to the Company's attention will be informed of the result of the investigation.

4.4 TELEPHONE USE

The Company telephones are intended for the use of serving our customers and in conducting the Company's business.

Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief to avoid congestion on the telephone line.

To respect the rights of all employees and avoid miscommunication in the office, employees must inform family members and friends to limit personal telephone calls during working hours.

If an employee is found to be deviating from this policy, he/she will be subject to disciplinary action (see Section 3.12, Corrective Action).

The use of cellular telephones shall also be governed by this policy. This policy applies to both incoming and outgoing cellular calls. Cellular phones shall be turned off or set to silent or vibrate mode at work or during meetings, conferences and in other locations where incoming calls may disrupt normal workflow. Employees may carry and use personal cellular phones while at work on a sporadic basis. If employee use of a personal cell phone causes disruptions or loss in productivity, the employee may become subject to disciplinary action. If an employee is operating a company vehicle or is driving his/her personal vehicle for work and receives a call on a cellular phone, the employee may answer, but shall ask the caller to hold, put the phone down and pull to the side of the roadway, into a parking lot or other safe location to respond to the call. Failure to follow this policy may result in disciplinary action up to and including termination.

4.5 PUBLIC IMAGE

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well groomed and dressed appropriately for our business and for their position in particular. The Company reserves the right to send employees home to change clothing that the Company deems inappropriate.

The following items are examples of what is considered inappropriate working attire:

- Spaghetti-strapped shirts
- Tank tops or revealing shirts

- Short mini skirts
- Sheer clothing
- T-shirts with inappropriate or offensive gestures or advertising
- Torn or ripped clothing
- Dirty clothing
- Excessive scent
- Excessive and/or distracting jewelry and/or make-up

When meeting with a client, the dress code is more business-oriented, including attire such as:

- Slacks and dress shirt or blouse
- Dress or skirt and blouse

If management occasionally designates "casual days," appropriate guidelines will be provided to you.

Consult your supervisor if you have any questions about appropriate business attire.

4.6 SUBSTANCE ABUSE

The Company is committed to providing a safe and productive workplace for its employees. In keeping with this commitment, the Company has adopted a Drug and Alcohol Policy, which has been provided separately to all staff members, including both regular and temporary employees. The rules, provided in the Company's Drug and Alcohol Policy, apply to all employees of the Company while they are on Company premises or elsewhere on Company business. If any employee has any questions regarding the Company's substance abuse policy, the employee should refer to the Company's Drug and Alcohol Policy.

4.7 TOBACCO PRODUCTS

The Company is a SMOKE-FREE FACILITY. The use of tobacco products is not permitted on the Company's premises except in authorized and designated locations as indicated by the supervisor. Employees will not, however, be discriminated against because they are a smoker or non-smoker.

Smoking is only permitted outside of Company buildings, provided that it occurs beyond 20 feet of any building entrance or in the external designated smoking areas. All materials used for smoking in this area, including cigarette butts and matches, will be extinguished and disposed of in appropriate containers. Supervisors will ensure periodic cleanup of the designated smoking area.

Employees who choose to smoke within the permitted areas must do so on their meal periods or regularly scheduled breaks (one fifteen-minute break in the morning and one in the afternoon). No additional time from work shall be authorized for this activity. Breaks should be staggered to avoid a disruption in service or office operations.

Management and supervisory staff will be responsible for ongoing compliance with this policy within their work areas. They are expected to adhere to standard practices in resolving issues of nonconformance, handling employee complaints, and maintaining expected levels of productivity within their work groups. Policy violation will result in disciplinary action.

Smoking Cessation Support: The following are a few options available for employees who wish to quit smoking:

- Hospital programs. Check with local hospitals for classes facilitated by trained professionals.
- Self-help pamphlets, books, audiotapes, or videotapes
- Prescription and over-the-counter medications
- Community programs. The Partnership for a Healthy Mississippi offers counseling and support services to people ready to quit. Visit www.healthy-miss.org/tobaccotreatment or call the Tobacco Quitline at 1-800-QUIT-NOW.

4.8 INTERNET/COMPUTER USE

Computing resources and Internet access may be available to Company employees. This may include computer-related hardware, software, local area networks, and online access to e-mail and research tools. Employees may not engage in any personal use of the Internet or computers during working hours, which would adversely affect performance or production.

To ensure compliance with the Company's acceptable use policy, the Company reserves the right to intercept, review, copy and/or delete emails on any computer e-mail system, including personal e-mails sent or received by any of its employees, and to review any computer hardware or software utilized at the Company. No employee should expect any privacy as it relates to computer and/or e-mail usage at the Company.

Theft or unauthorized use of either tangible property or intellectual property will not be tolerated, including unauthorized copying of copyrighted software without permission of the person or organizations holding the copyright, which is both unethical and illegal, and can subject both the individual as well as the Company to prosecution.

The following conduct is strictly prohibited (this list is not exhaustive and the Company shall be permitted to make a determination of additional situations it deems inappropriate and/or not permissible):

- Accessing or displaying offensive or pornographic messages or pictures on the computer screen.
- Sending offensive, pornographic, harassing, or discriminatory messages or pictures via e-mail, e-mail attachments, file-transfer, Instant Messaging or any other means of cyber-communication.
- Using obscene, pornographic, racist, sexist or inappropriate language.

- Transferring to hard disk or floppy files containing offensive, racist, or pornographic messages or pictures.
- Harassing, insulting, or attacking others.
- Sending or forwarding "chain letters" or "broadcast" messages.
- Violating copyright laws.
- Unauthorized use of another's folders, work, files, or disks, unless given specific approval to do so.
- Plagiarism (i.e. copying another person's work to present as the employee's own).
- Unauthorized use of any password.
- Creating or transmitting computer viruses.
- Viewing or opening someone else's e-mail.
- Unauthorized access to the Company computer systems.
- Using the Company equipment for commercial purposes.
- Using Internet communication to harass or harm other people.
- Downloading or copying of software without permission.
- Downloading any executable files from the Internet without management's approval.
- Using personal disks or programs on Company equipment.

Use of the computing resources at the Company is a privilege, not a right. Violation of any of the above guidelines will subject the violator to disciplinary action, which may include any of the following: warning, loss of computer privileges, suspension, termination, or legal prosecution. Any discipline shall be determined on a case-by-case basis, with no requirement that any progressive discipline be employed. Company management retains the sole and exclusive right and privilege to determine the appropriateness of any discipline.

4.9 SOLICITATION DURING WORK

Because distractions on the job lead to unsafe working conditions, poor work performance and inefficiency, the Company has the following rules related to solicitations:

- During periods of the workday when an employee is engaged in or required to be performing work, employees may not engage in solicitation of other employees or distribution of literature for any purpose. This restriction applies to all types of sales and/or requests for donations for any cause.
- During periods in another employee's workday when he/she is engaged in or required to be performing his/her work, an employee may not solicit the other employee for any purpose.
- Distribution of literature of any kind may not be made in the work areas of the premises at any time.
- Persons who are not employed by the Company are not permitted to solicit or distribute literature on the Company's premises.

Exceptions may be made for charitable causes, but only with prior approval from the President. Failure to obtain approval prior to solicitation may result in disciplinary action against the employee conducting such solicitation.

4.10 WORKPLACE VIOLENCE

The Company has a zero-tolerance policy concerning threats, intimidation and violence of any kind in the workplace either committed by or directed to employees. Employees who engage in such conduct will be disciplined, up to and including termination of employment. Employees are not permitted to bring weapons of any kind onto company property or to company functions. Any employee who is suspected of possessing a weapon will be subject to a search at the Company's discretion. Such searches may include, but are not limited to, the employee's personal effects, desk, handbags/purses/backpacks and workspace. If an employee feels he or she has been subjected to threats or threatening conduct by a co-worker, vendor, customer, or spouse, the employee must notify his/her supervisor or another member of management immediately, so that proper corrective and/or protective action can be taken.

SECTION 5 WAGE AND SALARY POLICIES

5.1 WAGE OR SALARY INCREASES

Wage or salary increases will be determined on the basis of performance, adherence to Company policies and procedures, ability to meet or exceed duties per job description and achieve performance goals, essential nature of position held, and the best interests of the Company (see Section 3.10, Performance Review/Planning Sessions). Increases are solely at the Company's discretion and may or may not be given each year.

Although the Company's salary ranges and hourly wage schedules may be adjusted on an ongoing basis, the Company does not grant "cost of living" increases. Performance and Company profitability are the key to wage increases in the Company.

No employee is guaranteed a wage or salary increase at any time.

5.2 TIMEKEEPING

Each hourly employee shall be required to accurately maintain a time sheet. Employee paycheck and benefit hours are based on the hours submitted through the timesheet. Each employee is responsible for his or her own timesheet. Falsification or other unauthorized alteration of this timesheet will be grounds for dismissal. No employee may write or make entries on another employee's timesheet, even if given permission. Employees who clock in must be ready to perform their job duties immediately after clocking in. All timesheets must be correct at the end of the pay period for checks to be received. If a timesheet needs to be corrected, the employee's supervisor must make the correction in ink and initial the correction.

5.3 OVERTIME

Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour requirements. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. Time off with pay for personal time, holidays, or any leave of absence will not be considered hours worked when calculating overtime. In addition, paid vacation time does not constitute hours worked.

Employees must obtain a supervisor's authorization before working overtime. Overtime worked without prior authorization from the supervisor may result in disciplinary action. The supervisor's signature on a timesheet authorizes pay for overtime hours worked.

5.4 PAYDAYS

All employees are paid every other _____ (day of the week).

Paychecks will not, under any circumstances, be given to any person other than the employee without the employee's written authorization. Upon request, paychecks may also be mailed to the employee's address or deposited directly into the employee's bank account, using the address or bank account information on file in the employee's personnel file.

SECTION 6 BENEFITS AND SERVICES

The Company offers a benefits program for its regular full-time employees. However, the existence of these programs does not signify that an employee will necessarily be employed for the required time necessary to qualify for the benefits included in and administered through these programs.

6.1 GROUP INSURANCE

(YOUR COMPANY PLAN HERE)

To protect the employees of the Company from the rising expense of medical bills, a major medical insurance plan is made available to all eligible full time employees.

The employee may be required to pay a portion of the insurance policy premium, which will be deducted from the employee's payroll check. The Company reserves the right to pay a portion or none of the premiums.

There may be a required deductible per covered person per calendar year for those medical services covered, and a family deductible required per calendar year. These deductibles are set forth in the Certificate of Insurance.

Further, after the deductible for covered services is reached, the insurance pays a percentage of the cost of the medical charges incurred; the employee pays the remaining percentage (the co-payment). The health insurance policy also provides for a deductible or co-payment limit. After the employee has reached the deductible and/or the co-payment limit, the insurer will pay 100% thereafter of the charges incurred for covered services. Again, these amounts are set forth in the Certificate of Insurance.

Any employee will, upon request to Company management, be provided a copy of the Certificate of Insurance and is responsible for familiarizing themselves with the details of the policy. **This summary is not a contract of insurance. The information contained in the Certificate of Insurance alone is binding.** Only the information contained in the Certificate itself will be construed as establishing a contract of insurance between the insurance carrier and the employee.

6.2 COBRA BENEFITS

The Federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company's health plan when a "qualifying event" would normally result in the loss of eligibility.

Some common qualifying events are resignation; termination of employment; death of an employee; a reduction in an employee's hours; leave of absence; divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage after a qualifying event at the Company's group rates plus an administration fee for continuation coverage. The Company provides each eligible employee with a written notice describing rights granted under COBRA when a qualifying event occurs. The notice contains important information about the rights and obligations of the employee and/or beneficiary(ies). Failure to timely comply with the notice may result in a loss of insurance coverage. It is imperative that each employee keep the Company apprised of the status of his/her family life and age of dependents.

6.3 SOCIAL SECURITY/MEDICARE

The Company withholds income tax from all employees' earnings and participates in FICA (Social Security) and Medicare withholding and matching programs as required by law.

6.4 RETIREMENT PLAN

(YOUR COMPANY PLAN HERE)

6.5 PAID DAYS OFF

Full-time employees with less than **ten (10)** years of continuous employment are entitled to **fifteen (15)** Paid Days Off (PDO) per year, or **120** hours. PDOs are accrued at the rate of **4.62** hours per pay period, up to the maximum of **120** hours per annum. Full-time employees with **ten (10)** or more years of continuous employment are entitled to **twenty (20)** PDOs per year, or **160** hours. PDOs for these employees are accrued at the rate of **6.16** hours per pay period, up to the maximum of **160** hours per annum. A single PDO is comprised of eight (8) hours.

Employees are entitled to use PDOs for anything that they wish, such as sickness, vacation, or personal errands. However, employees may not use PDOs until they are accrued without the express written consent of the Accounting Department. Unless otherwise required by law, PDOs must be used in a minimum of **four (4)** hour increments.

Full-time employees are entitled to carry forward from one year to the next a maximum of **forty (40)** earned but unused PDOs. Employees will be paid for any earned but unused PDOs in excess of the amount carried forward from one year to the next. Employees are not required to carry forward any PDOs from one year to the next, although they are encouraged to do so in order to provide paid time off for unforeseen emergencies.

Generally, PDO requests must be submitted at least four weeks prior to the time period requested. All requests must be submitted, in writing, to the appropriate supervisor. The Company reserves the right to allow or disallow the use of a PDO.

PDO pay is paid on the basis of the employee's equivalent base rate of pay for a normally scheduled work day (eight hours). This does not include overtime (whether scheduled or unscheduled), commissions, or any other type of compensation. The amount of PDO scheduled cannot exceed the amount already accrued up to the time the PDO leave begins.

If a Company-recognized holiday falls on an employee's requested and approved PDO, the holiday will not count as a PDO day.

Any illness or injury occurring during a PDO period does not change the nature or duration of the PDO leave. If an employee is unable to return from a PDO due to illness or injury, if circumstances warrant, he may be placed on leave of absence, either with or without pay (depending upon his available PDO bank), until his future employment status is determined. PDO is accrued during PDO leave.

The Accounting Department will maintain a detailed record of PDO time earned and used for each employee. Any employee may request to see their record at a reasonable time convenient to the accounting supervisor. Employees disagreeing with the amount of PDO indicated in their records should notify the Accounting Department of this fact as soon as possible. The Company reserves the right to require an employee to use accrued PDOs in place of time off without pay.

6.6 RECORDKEEPING

The Accounting Department maintains Paid Days Off leave accrued and used. Each employee is responsible for verifying his/her pay stub to make sure the correct amount of hours appear.

6.7 HOLIDAYS

The Company observes the following paid holidays per year for all non-exempt employees:

- New Year's Day
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Day

When the holiday falls on Saturday, the previous Friday shall be observed as the recognized holiday. When it falls on a Sunday, the following Monday shall be observed. Employees may be required to work on a holiday.

6.8 JURY DUTY

Employees will be granted time off to serve on a jury, and non-exempt employees shall receive one (1) days pay and benefit. Exempt employees will be paid in accordance with the law. All regular employees, both full-time and part-time, will be kept on the active payroll until they are released from jury duty. A copy of the jury duty summons and all other associated paperwork are required for the personnel file.

6.9 MILITARY LEAVE

Any person who was a regular full or part-time employee and was absent as a result of his or her service in the uniformed services will be entitled to reemployment in the former position or a position of like seniority, status, and pay within 10 days of application for reemployment, as long as **all** of the following conditions are met:

- The individual has given advance written or verbal notice of his or her leave to the employer (prior notice of the leave is not required if it is precluded by military necessity or giving such notice is impossible or unreasonable)
- The cumulative length of the absence and all previous absences from employment with this company does not exceed five years
- The individual was discharged under honorable conditions
- The person reports to or submits an application for reemployment to the employer within the time frames set forth below.

Period of Service	Required Notice Time to Return to Work
Less than 31 days	First full regularly scheduled work period on the first full calendar day following completion of the service (with an eight-hour period for safe transportation).
More than 30 days but less than 181 days	Fourteen days after the completion of service (or if impossible or unreasonable through no fault of the person, the next first full calendar day when application becomes possible).
More than 180 days	Not later than 90 days after the completion of service.
A person who is hospitalized or convalescing	At the end of the period that is necessary for the person to recover

Also, please note that the service member is required to provide documentation of the time away and the time of release. However, failure to provide documentation will not be a basis for denying re-employment if the failure occurs because the documentation is not readily available at the time of the request by the Company.

The Company will not re-employ an individual when:

- The Company's circumstances have changed so as to make such re-employment impossible or unreasonable.
- The person is entitled to re-employment due to a disability or is no longer qualified for the prior position and employment imposes an undue hardship on the Company.

- The employment from which the person leaves to serve in the uniformed services is a temporary job and there is no reasonable expectation that the job will continue indefinitely or for a significant period.

The Company will document impossibility or unreasonableness, undue hardship, or temporary nature of the job.

Seniority-based benefits: An individual who is re-employed will be entitled to all seniority-based benefits that the person had on the date of commencement of service, plus the additional seniority and rights and benefits that he or she would have attained if continuously employed. The benefits may include creditable service up to four years toward vesting and computation of benefits in the retirement system, pension fund, or employee benefit plan applicable to the individual's employment, if applicable. To qualify, the benefit must have been a reward for length of service.

Non-seniority-based benefits: An individual returning from uniformed service will be entitled to all benefits not based on seniority in the same manner as any employee on a leave of absence would be able to accrue under other Company policies. These policies are either those in effect at the time the individual left on uniformed service or which were implemented while the employee was away. Please note that where employees are required to pay a portion of the cost for non-seniority-based benefits, the individual on a uniformed service leave will be required, just like all other employees, to pay his/her portion.

Use of accrued leave: Employees may use any amount or combination of accrued leave such as vacation, annual leave, paid military leave or other leave with pay toward uniformed service time. However, the Company does not require employees to use paid leave to apply toward a uniformed service leave.

Compensation: Employees are not entitled to pay during their leave to perform service in the uniformed services.

Insurance: An employee on uniformed service leave has the right to maintain life, health, and accident insurance during the period of service as long as:

- The employee notifies the Company of the intent to continue coverage at the time he or she enters service in the uniformed services.
- The employee pays the Company the amount that would have been deducted from his or her paycheck for the insurance.

The Company will pay the employee's contribution to the insurer, plus an amount equal to what the Company would have contributed during the period of service in the uniformed services.

Employees returning to work will be reinstated to the health coverage, including all dependents and family members previously covered, which they would have had as if they had never left. Exclusions for pre-existing conditions, proof of good health, and

waiting periods will not be applied. However, exclusions for illnesses or injuries that were service connected will be applied.

Re-employment Positions: Individuals are to be re-employed according to the following schedule:

- If his or her service was less than 91 days, the individual will be placed in the job he or she would have had if employment had not been interrupted by service and assuming the person is qualified to perform those job duties (e.g., a person may have to be promoted). If the person served for less than 91 days and is not qualified to perform the duties of the job he or she would have had if there had not been any service and all reasonable efforts to qualify the person for that job have been made, then this individual will be reinstated in the job held on the date the leave for service began.
- If the service was more than 90 days, then the person will be placed in the job the person would have had if employment had not been interrupted (e.g., a promoted position) or a position of like seniority status and pay which alternate job the person is qualified to perform. If the person served more than 90 days and is not qualified to perform the job which he or she would have had if not for service and all reasonable efforts to qualify the person for that job have been made, the person will be placed in the job which he or she held on the date the leave for service commenced.
- In the case of a person with a disability, who after reasonable efforts is not qualified to be employed in the positions required by the federal Uniformed Services Act, the person will be employed in any other position which is equivalent in seniority status and pay if the person is qualified to perform those duties with or without reasonable accommodations.
- If an individual is not qualified to hold any of the positions as required by the federal Uniformed Services Act, the person will be placed in any other nearest approximate position of lesser status and pay which the person is qualified to perform with full seniority.
- If two or more persons are entitled to the same job under the federal Uniformed Services Act, the one who left the position first shall have the prior right to re-employment.
- Temporary employees are not eligible for reinstatement. Similarly, employees who were about to be discharged for misconduct are not eligible for reinstatement.

National Guard: Under Mississippi law, any person called or ordered to active duty in the service of the National Guard of Mississippi or of any other state, the state militia, any other military force of the state, or homeland security and emergency preparedness responders and first responders, will be reinstated to the same or comparable employment without loss of seniority upon honorable release from duty. Mississippi law requires that the employee provide evidence of completion of duty or training.

If an employee is no longer qualified or capable of performing the essential functions and duties of his or her position because of a duty-related disability but is otherwise qualified to perform another position, the employee will be placed in that position.

The Company policy prohibits discrimination against an employee who is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service. In general, these individuals will not be denied initial employment, re-employment, retention employment, promotion, or any benefit of an employee based on membership in the uniformed services, application for membership, performance of service, application for service or actual service obligation. Adverse employment action against a person who assists another person in exercising his or her rights is also prohibited, regardless of whether the person assisting is a member of the military. This discrimination policy applies to both regular and temporary employees.

6.10 EDUCATIONAL ASSISTANCE

The Company recognizes that the skills and knowledge of its employees are critical to the success of the Company. The Company offers educational assistance programs to encourage personal development, improve job-related skills and enhance an employee's ability to compete for reasonably attainable jobs in the Company. The employee must request and obtain prior written approval from their supervisor before registering for any program or seminar. The Company reserves the right to approve or disapprove the request.

6.11 TRAINING AND PROFESSIONAL DEVELOPMENT

The Company recognizes the value of professional development and personal growth for employees. Therefore, the Company encourages its employees who are interested in continuing education and job specific training to research these possibilities further. To the extent that these classes and/or training may interfere with an employee's job, the employee must first obtain written approval of his/her supervisor before enrolling or committing to any such class or training. The Company does not guarantee reimbursement or repayment to employees for any such classes or training, regardless of whether or not the Company approves of such classes or training.

SECTION 7 EMPLOYEE COMMUNICATIONS

7.1 STAFF MEETINGS

Staff meetings will be held at the discretion of the Company. These meetings allow employees to be informed on recent Company activities, changes in the workplace, employee recognition, and other business matters.

7.2 BULLETIN BOARDS

Bulletin boards placed in designated areas provide employees access to important posted information and announcements. The employee is responsible for reading necessary information posted on the bulletin boards. Only work-related items shall be posted by authorized personnel, and personal notices are not to be placed on the bulletin boards.

7.3 PROCEDURE FOR HANDLING COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, or if the employee does not feel comfortable speaking with the supervisor, he/she is encouraged to contact the Company President.

7.4 DOCUMENT RETENTION

The law requires the Company to maintain certain types of corporate records, usually for a specified period of time. Failure to retain those records for those minimum periods could subject an employee and the Company to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the Company in contempt of court, or seriously disadvantage the Company in litigation. Documents include letters, memorandums, forms, contracts, calendars in hard-copy form, and e-mails, computer files, computer documents, electronic calendars and other electronic media.

From time to time, the Company will establish retention and destruction guidelines or schedules for specific category of records to insure legal compliance. If you believe or if you are informed by the Company that certain documents are relevant to litigation or potential litigation, then you must preserve those records until advised by the President that those records are no longer needed. This exception supersedes the following destruction guidelines:

- Tax records, including payroll, expense, proof of deductions, business costs, accounting procedures, and other relevant documents related to revenue should be kept for **6 years** from the date of filing of the applicable tax return.
- Employment/Personnel records pertaining to applications, evaluations, disciplinary action, memorandums, leaves of absences, *etc.* should be kept during an employee's tenure with the Company and then for **3 years** after employment has ceased.
- Board and Board Committee material should be kept for **3 years**.
- Marketing and Sales documents should be kept for **3 years**.
- Contracts should be kept for **3 years** after the term of the agreement.
- Intellectual Property/Trade Secrets should be kept during the life of the trade secret.
- Benefit Plans should be kept for **7 years**.

APPENDIX

Code of Business Conduct

Company Equipment Form

Company Vehicle Policy (if applicable)

Confidentiality Agreement

Conflict of Interest Individual Questionnaire

Drug and Alcohol Policy

Electronic Communication Interception Consent and Waiver

Employee Status Form

Employment Status Statement

Second Injury Fund Questionnaire

Trial Period

ACKNOWLEDGEMENT OF
(_____)
EMPLOYEE HANDBOOK

I acknowledge, with my signature below, that I have been assigned a copy of the _____ (hereinafter the "Company") Handbook and I understand that it is my obligation to read the handbook and to understand what it says.

I acknowledge that after having read the handbook, I am encouraged to contact management at any time I have uncertainty about any personnel policy, practice or benefit.

I understand that the Company wishes, as much as possible, to be able to respond to the individual needs of each employee, and that exceptions to the policies outlined in this handbook may be made whenever there is good reason to do so.

After having read the handbook, I acknowledge that nothing contained in this handbook gives me or any employee the right to be retained in the service of the Company, or interferes with the right of the Company to discharge me or any employee at any time, with or without cause. The employment relationship is at-will; that is, employees are free to resign from the Company whenever they wish, and the Company is not restricted from terminating any employee at any time for any reason.

I understand that this handbook does not constitute or create a contract of employment between the Company and any employee, nor does the handbook establish any terms or conditions of employment. No oral statement by the management of the Company shall be construed as giving rise to or creating a contract of employment between the Company and any employee, or otherwise alter or modify the contents of this handbook.

I understand that additions to or alterations or modifications of the rules, policies and procedures contained in this handbook may be made by the Company at any time and for any reason and that I am obligated to insert those additions into the handbook to assure it is remaining current. I understand that I am to comply with and follow these additional, altered or modified rules.

Signature

Print Name

Date