

# Employee Handbook

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## Section 1: Introduction

### 1.1 Welcome to CLIENT.

### 1.2 Employee Handbook

This Handbook applies to all employees, and compliance with CLIENT (hereafter referred to as "Company" or "The Company") policies is a condition of employment. This Handbook supersedes all previous employment policies, written and oral, express and implied. The Company reserves the right to modify, rescind, delete, or add to the provisions of this Handbook from time to time in its sole and absolute discretion. This Employee Handbook is not a binding contract between the Company and its employees, nor is it intended to alter the at-will employment relationship between the Company and its employees. The Company reserves the right to interpret the policies in this Handbook and to deviate from them when, in its discretion, it determines it is appropriate.

### 1.3 Changes in Policy

Since our business is constantly changing, the Company expressly reserves the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this handbook or in any other document, except for the policy of at-will employment as described below. No oral statements or representations can in any way alter the provisions of this Handbook. Nothing in this employee handbook or in any other document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee. Any changes to your at-will employment status, described below, must be in writing and must be signed by the Company.

If you are uncertain about any policy or procedure, please check with your manager or Human Resources.

### 1.4 Employment-At-Will

Employment with the Company is on an at-will basis, unless otherwise specified in a written employment agreement. You are free to resign at any time, for any reason, with or without notice. Similarly, the Company is free to conclude the employment relationship at any time for any lawful reason, with or without cause, and with or without notice.

Nothing in this Handbook will limit the right of either party to terminate an at-will employment. No section of this Handbook is meant to be construed, nor should be construed, as establishing anything other than an employment-at-will relationship. This Handbook does not limit management's discretion to make personnel decisions such as reassignment, change of wages and benefits, demotion, etc. No person other than the CEO, President, or CFO has the authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-

will terms. Only the CEO, President, or CFO of the Company has the authority to make any such agreement, which is only binding if it is in writing and signed by the President of the Company.

## Section 2: Employment Policies

### 2.1 Employee Classifications

The following terms are used to describe employees and their employment status:

**Exempt Employees** - Employees whose positions meet specific tests established by the Federal Labor Standards Act ("FLSA") and California state law. In general, exempt employees are those engaged in executive, managerial, high-level administrative and professional jobs who are paid a fixed salary and perform certain duties. In addition, certain commissioned sales employees and highly paid computer professionals are exempt. Exempt employees are not subject to the minimum wage and overtime laws.

**Nonexempt Employees** - Employees whose positions do not meet specific tests established by the FLSA and California state law. All employees who are covered by the federal or state minimum wage and overtime laws are considered nonexempt. Employees working in nonexempt jobs are entitled to be paid at least the minimum wage per hour and a premium for overtime.

**Full-Time Employees** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work a schedule of 30 hours per work week.

**Part-Time Employees** - Employees who are not temporary employees, independent contractors, or independent consultants and who are regularly scheduled to work less than 30 hours per work week.

**Temporary Employees** - Employees who are hired as interim replacements to temporarily supplement the workforce or to assist in the completion of a specific project. Employment assignments in this category are of limited duration and the temporary employee can be let go before the end of the defined period. Short term assignments generally are periods of three (3) months or less, however, such assignments may be extended. All Temporary employees are at-will regardless of the anticipated duration of the assignment (see Employment-at-Will Policy). Temporary employees retain that status unless and until notified in writing of a change.

**Independent Contractor or Consultant** - These individuals are not employees of the Company and are self-employed. An independent contractor or consultant is engaged to perform a task according to his/her own methods and is subject to control and direction only as to the results to be accomplished. Independent contractors or consultants are not entitled to benefits.

Each employee will be advised of his or her status at the time of hire and any change in status. Regardless of the employee's status, the employee is employed at-will and the employment relationship can be terminated by the Company or the employee at any time, with or without cause and with or without notice.

## 2.2 Equal Employment Opportunity and Americans with Disabilities Act

It is the policy of the Company to provide equal employment opportunities to all employees and employment applicants without regard to unlawful considerations of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by applicable local, state or federal laws. This policy prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. This policy applies to all aspects of employment, including, but not limited to, hiring, job assignment, working conditions, compensation, promotion, benefits, scheduling, training, discipline and termination.

The Company expects all employees to support our equal employment opportunity policy, and to take all steps necessary to maintain a workplace free from unlawful discrimination and harassment and to accommodate others in line with this policy to the fullest extent required by law. For example, the Company will make reasonable accommodations for employees' observance of religious holidays and practices unless the accommodation would cause an undue hardship on the Company's operations. If you desire a religious accommodation, you are required to make the request in writing to your manager as far in advance as possible. You are expected to strive to find coworkers who can assist in the accommodation (e.g. trade shifts) and cooperate with the Company in seeking and evaluating alternatives.

Moreover, in compliance with the Americans with Disabilities Act (ADA), the Company provides reasonable accommodations to qualified individuals with disabilities to the fullest extent required by law. The Company may require medical certification of both the disability and the need for accommodation. Keep in mind that the Company can only seek to accommodate the known physical or mental limitations of an otherwise qualified individual. Therefore, it is your responsibility to come forward if you are in need of an accommodation. The Company will engage in an interactive process with the employee to identify possible accommodations, if any will help the applicant or employee perform the job.

## 2.3 Confidentiality

In the course of employment with the Company, employees may have access to "Confidential Information" regarding the Company, which may include its business strategy, future plans, financial information, contracts, suppliers, customers, personnel information or other information that the Company considers proprietary and confidential. Maintaining the confidentiality of this information is vital to the Company's competitive position in the industry and, ultimately, to its ability to achieve financial success and stability. Employees must protect this information by safeguarding it when in use, using it only for the business of the Company and disclosing it only when authorized to do so and to those who have a legitimate business need to know about it. This duty of confidentiality applies whether the employee is on or off the Company's premises, and during and even after the end of the employee's

employment with the Company. This duty of confidentiality also applies to communications transmitted by the Company's electronic communications. See also Internet, Email and Computer Use policy, herein.

As a condition of employment with the Company, all employees must sign a Non-Disclosure Agreement.

## 2.4 Employment of Minors

The FLSA's child labor provisions, which the Company strictly adheres to, are designed to protect the educational opportunities of youth and prohibit their employment in jobs that are detrimental to their health and safety. Generally speaking, the FLSA sets the minimum age for employment (14 years for non-agricultural jobs), restricts the hours youth under the age of 16 may work, and prohibits youth under the age of 18 from being employed in hazardous occupations. In addition, the FLSA establishes subminimum wage standards for certain employees who are less than 20 years of age, full-time students, student learners, apprentices, and workers with disabilities. Employers generally must have authorization from the U.S. Department of Labor's Wage and Hour Division (WHD) in order to pay subminimum wage rates.

## 2.5 Employment of Relatives

The Company recognizes that the employment of relatives in certain circumstances, such as when they will work in the same department, supervise or manage the other, or have access to confidential or sensitive information regarding the other, can cause problems related to supervision, safety, security or morale, or create conflicts of interest that materially and substantially disrupt the Company's operations. When the Company determines any of these problems will be present, it will decline to hire an individual to work in the same department as a relative. Relatives subject to this policy include: father, mother, sister, brother, current spouse or domestic partner, child (natural, foster, or adopted), current mother-in- law, current father-in-law, grandparent, or grandchild.

If present employees become relatives during employment, the Company should be notified so that we may determine whether a problem involving supervision, safety, security or morale, or a conflict of interest that would materially and substantially disrupt the Company's operations exists. If the Company determines that such a problem exists, the Company will take appropriate steps to resolve the problem, which may include reassignment of one relative (if feasible) or asking for the resignation of one of the relatives.

## 2.6 Personnel Records and Employee References

The Company maintains a personnel file and payroll records for each employee as required by law. Personnel files and payroll records are the property of the Company and may not be removed from Company premises without written authorization. Because personnel files and payroll records are confidential, access to the records is restricted. Generally, only those who have a legitimate reason to review information in an employee's file are allowed to do so. Disclosure of personnel information to outside sources will be limited. However, the Company will cooperate with requests from authorized

law enforcement or local, state, or federal agencies conducting official investigations and as otherwise legally required.

Employees may contact a Human Resources representative to request a time to review their payroll records and/or personnel file. With reasonable advance notice, an employee may review his or her own records in the Company's offices during regular business hours and in the presence of an individual appointed by the Company to maintain the records. No copies of documents in your file may be made, with the exception of documents that you have previously signed. You may add your comments to any disputed item in the file.

By policy, the Company will provide only the former or present employee's dates of employment and position(s) held with the Company. Compensation information may also be verified if written authorization is provided by the employee.

## **2.7 Privacy**

The Company is respectful of employee privacy. All employee demographic and personal information will be shared only as required in the normal course of business. Healthcare enrollment information is kept in a separate folder from other human resources forms. Workers' Compensation information is not considered private healthcare information; however, this information will be released only on a need-to-know basis.

The Company does not make or receive any private healthcare information through the course of normal work. If any employee voluntarily shares private healthcare information with a member of management, this information will be kept confidential. If applicable, the Company will set up guidelines for employees and management to follow to ensure that company employees conform to the requirements of the Health Insurance Portability and Accountability Act (HIPAA).

## **2.8 Immigration Law Compliance**

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 on the date of hire and present documentation establishing identity and employment eligibility within three (3) business days of date of hire. Former employees who are rehired must also complete an I-9 form if they have not completed an I-9 form with the Company within the past three years, or if their previous I-9 form is no longer retained or valid. You may raise questions or complaints about immigration law compliance without fear of reprisal.

## **2.9 Political Neutrality**

Maintenance of individual freedom and our political institutions necessitates broad scale participation by citizens concerning the selection, nomination and election of our public office holders. The Company will not discriminate against any employee because of identification with and support of any lawful political activity. Company employees are entitled to their own personal political position. The Company

will not discriminate against employees based on their lawful political activity engaged in outside of work. If you are engaging in political activity, however, you should always make it clear that your actions and opinions are your own and not necessarily those of the Company, and that you are not representing the Company.

## Section 3: Hours of Work and Payroll Practices

### 3.1 Pay Periods and Paydays

Employees are paid on a weekly basis. All employees will be paid on Friday of each week. All employees are paid by check or direct deposit on the above-mentioned payday. If the regular payday falls on a weekend or Company holiday, employees will be paid on the last business day before the holiday and/or weekend.

### 3.2 Overtime

Nonexempt employees will be paid in accordance with federal and California state law.

### 3.3 Rest and Meal Periods

All rest and meal periods will be in accordance with California state law.

### 3.4 Company Meals and Meetings

The Company will provide some meals as an employee benefit or as part of team meetings, as follows:

Next Team Lunches are provided on Mondays, Wednesdays, and Fridays to all employees. The Company will cater or order in lunch for all employees.

The Next Team Brunch is a Company Check-In Meeting for all employees each Friday from 9:00 A.M. until 9:45 A.M. each Friday.

The All Hands Meeting is the first Monday of each month. All employees should be present either in person or through video conference at 8:00 A.M. Pacific time.

Unless otherwise agreed on a case-by-case basis, each employee is expected to attend each company meeting.

### 3.5 Time Cards

Nonexempt employees are required to keep an accurate and complete record of their attendance and hours worked. Time cards are official business records and may not be altered without the employee's supervisor's approval and may not be falsified in any way.

### 3.6 Payroll Deductions

Various payroll deductions are made each payday to comply with federal and state laws pertaining to taxes and insurance. Deductions will be made for the following: Federal and State Income Tax Withholding, Social Security, Medicare, State Disability Insurance & Family Temporary Disability Insurance, and other items designated by you or required by law (including a valid court order). You can adjust your federal and state income tax withholding by completing the proper federal or state form and submitting it to Accounting or Human Resources. At the start of each calendar year, you will be supplied

with your Wage and Tax Statement (W-2) form for the prior year. This statement summarizes your income and deductions for the year.

### **3.7 Wage Garnishment**

A garnishment is a court order requiring an employer to remit part of an employee's wages to a third party to satisfy a just debt. Once the Company receives the legal papers ordering a garnishment, we are required by law to continue making deductions from your check until we have withheld the full amount or until we receive legal papers from the court to stop the garnishment. Even if you have already paid the debt, we still need the legal papers to stop the garnishment.

### **3.8 Direct Deposit**

All employees are encouraged, but not required, to use direct deposit and have their paychecks deposited into a bank account of an accredited participating bank or credit union.

## Section 4: Standards of Conduct and Employee Performance

### 4.1 Anti-Harassment and Discrimination

The Company is committed to providing a work environment free of sexual or any form of unlawful harassment or discrimination. Harassment or unlawful discrimination against individuals on the basis of race, religion, creed, color, national origin, sex, pregnancy, sexual orientation, gender identity, age, ancestry, physical or mental disability, genetic information, marital status or any other classification protected by local, state or federal laws is illegal and prohibited by Company policy. Such conduct by or towards any employee, contract worker, customer, vendor or anyone else who does business with the Company will not be tolerated. Any employee or contract worker who violates this policy will be subject to disciplinary action, up to and including termination of his or her employment or engagement. To the extent a customer, vendor, or other person with whom the Company does business engages in unlawful harassment or discrimination, the Company will take appropriate corrective action.

#### Prohibited Conduct:

Prohibited harassment or discrimination includes any verbal, physical, or visual conduct based on sex, race, age, national origin, disability or any other legally protected basis if:

- a) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment or engagement;
- b) submission to or rejection of such conduct by an individual is used as a basis for decisions concerning that individual's employment or engagement; or
- c) it creates a hostile or offensive work environment.

Prohibited harassment includes (but is not limited to) unwelcome sexual advances, requests for sexual favors and lewd, vulgar or obscene remarks, jokes, posters or cartoons, and any unwelcome touching, pinching or other physical contact. Other forms of unlawful harassment or discrimination may include racial epithets, slurs and derogatory remarks, stereotypes, jokes, posters or cartoons based on race, national origin, age, disability, marital status or other legally protected categories. Prohibited harassment might also be transmitted using the Company's electronic communications system, or through other on-line conduct.

#### Complaint Procedure:

Employees or contract workers who feel that they have been harassed or discriminated against, or who witness any harassment or discrimination by an employee, contract worker, customer, vendor or anyone else who does business with the Company, should immediately report such conduct to their supervisor or any other member of management.

Do not allow an inappropriate situation to continue by not reporting it, regardless of who is creating the situation. No employee, contract worker, customer, vendor or other person who does business with this organization is exempt from the prohibitions in this policy. In response to every complaint, the Company

will conduct an investigation which may involve interviewing witnesses if warranted and, if improper conduct is found, take appropriate corrective action.

To the extent that an employee or contract worker is not satisfied with the Company's handling of a harassment or discrimination complaint, he or she may also contact the appropriate state or federal enforcement agency for legal relief.

#### **4.2 Attendance**

Punctuality and regular attendance are essential to the successful operation of the Company's business. If an employee is unable to report to work (or to report to work on time) for any reason, the employee must notify his or her supervisor before his or her starting time. If an employee desires to leave work for any reason during the workday, the employee must obtain the approval of his or her supervisor prior to leaving. In the event that the employee fails to call his or her supervisor or report for work for three (3) consecutive workdays, the employee will be deemed to have voluntarily resigned from his or her employment with the Company and will be removed from the payroll. Excessive absenteeism or tardiness may subject the employee to disciplinary action, up to and including termination.

#### **4.3 Discipline and Standards of Conduct**

As an at-will employer, the Company may impose discipline whenever it determines it is necessary or appropriate. Discipline may take various forms, including verbal counseling, written warnings, suspension, demotion, transfer, reassignment or termination. The discipline imposed will depend on the circumstances of each case; therefore, discipline will not necessarily be imposed in any particular sequence. Moreover, at any time the Company determines it is appropriate, an employee may be terminated immediately.

Every organization must have certain standards of conduct to guide the behavior of employees. Although there is no possible way to identify every rule of conduct, the following is an illustrative list (not intended to be comprehensive or to limit the Company's right to impose discipline for any other conduct it deems inappropriate). Keep in mind that these standards of conduct apply to all employees whenever they are on Company property and/or conducting Company business (on or off Company property). Engaging in any conduct the Company deems inappropriate may result in disciplinary action, up to and including termination.

- a) Dishonesty;
- b) Falsification of Company records;
- c) Unauthorized use or possession of property that belongs to the Company, a coworker, or of the public;
- d) Possession or control of illegal drugs, weapons, explosives, or other dangerous or unauthorized materials;

- e) Fighting, engaging in threats of violence or violence, use of vulgar or abusive language, horseplay, practical jokes or other disorderly conduct that may endanger others or damage property;
- f) Insubordination, failure to perform assigned duties or failure to comply with the Company's health, safety or other rules;
- g) Unauthorized or careless use of the Company's materials, equipment or property;
- h) Unauthorized and/or excessive absenteeism or tardiness;
- i) Lack of teamwork, poor communication, unsatisfactory performance, unprofessional conduct, or conduct improper for the workplace;
- j) Sexual or other illegal harassment or discrimination;
- k) Unauthorized use or disclosure of the Company's confidential information;
- l) Violation of any Company policy.

#### **4.4 Dress Code**

#### **4.5 Safety**

The Company is committed to providing a safe workplace. Accordingly, the Company emphasizes "safety first." It is the employee's responsibility to take steps to promote safety in the workplace and work in a safe manner. By remaining safety conscious, employees can protect themselves and their coworkers. Employees are expected to promptly report all unsafe working conditions, accidents and injuries, regardless of how minor so that any potential hazards can be corrected.

#### **4.6 Substance and Abuse**

The Company is committed to providing its employees with a safe and productive work environment. In keeping with this commitment, it maintains a strict policy against the use of alcohol and the unlawful use of drugs in the workplace. Consequently, no employee may consume or possess alcohol, or use, possess, sell, purchase or transfer illegal drugs at any time while on the Company's premises or while using the Company vehicles or equipment, or at any location during work time.

No employee may report to work with illegal drugs (or their metabolites) or alcohol in his or her bodily system. The only exception to this rule is that employees may engage in moderate consumption of alcohol that may be served and/or consumed as part of an authorized Company social or business event. "Illegal drug" means any drug that is not legally obtainable or that is legally obtainable but has not been legally obtained. It includes prescription drugs not being used for prescribed purposes or by the person to whom it is prescribed or in prescribed amounts. It also includes any substance a person holds out to another as an illegal drug.

Any violation of this policy will result in disciplinary action, up to and including termination.

Any employee who feels he or she has developed an addiction to, dependence upon, or problem with alcohol or drugs, legal or illegal, is strongly encouraged to seek assistance before a violation of this policy occurs. Any employee who requests time off to participate in a rehabilitation program will be reasonably accommodated. However, employees may not avoid disciplinary action, up to and including termination, by entering a rehabilitation program after a violation of this policy is suspected or discovered.

#### **4.7 Workplace Searches**

All offices, desks, file drawers, cabinets, lockers, Company vehicles, and other Company equipment (including but not limited to computers, email, and voice mail) and facilities or any area on Company premises are the property of the Company ("Company Property"), and are intended for business use. Employees should have no expectation of privacy with respect to Company property and/or items stored within Company Property or on Company premises. Inspection may be conducted at any time, without notice, at the discretion of the Company.

In addition, when the Company deems appropriate, employees may be required to submit to searches of their personal vehicles, parcels, purses, handbags, backpacks, brief cases, lunch boxes, or any other possessions or articles brought on to the Company's premises.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. All employees must cooperate in an inspection; failure to do so is insubordination and will result in disciplinary action, up to and including termination.

#### **4.8 Internet, Email, and Computer Use Policy**

The Company uses various forms of electronic communication including, but not limited to: computers, email, telephones, voicemail, instant message, text message, Internet, cell phones and smart phones (hereafter referred to as "electronic communications"). The electronic communications, including all software, databases, hardware, and digital files, remain the sole property of the Company and are to be used only for Company business and not for personal use.

The following rules apply to all forms of electronic communications and media that are: (1) accessed on or from Company premises; (2) accessed using the Company computer or telecommunications equipment, or via Company-paid access methods; and/or (3) used in a manner which identifies the Company. The following list is not exhaustive and the Company may implement additional rules from time to time.

- a. Electronic communication and media may not be used in any manner that would be discriminatory, harassing, or obscene, or for any other purpose that is illegal, against Company policy, or not in the best interest of the Company. Employees who misuse electronic communications and engage in defamation, copyright or trademark infringement, misappropriation of trade secrets, discrimination, harassment, or related

actions will be subject to discipline, up to and including termination. Employees may not install personal software on Company computer systems.

- b. Employees' own electronic media may only be used during breaks. All other company policies, including the Company's no tolerance for discrimination, harassment, or retaliation in the workplace apply.
- c. All electronic information created by any employee on Company premises or transmitted to Company property using any means of electronic communication is the property of the Company and remains the property of the Company. You should not assume that any electronic communications are private or confidential and should transmit personal sensitive information in other ways. Personal passwords may be used for purposes of security, but the use of a personal password does not affect the Company's ownership of the electronic information. The Company will override all personal passwords if necessary for any reason.
- d. The Company reserves the right to access and review electronic files, messages, internet use, blogs, "tweets", instant messages, text messages, email, voice mail, and other digital archives, and to monitor the use of electronic communications as necessary to ensure that no misuse or violation of Company policy or any law occurs. All such information may be used and/or disclosed to others, in accordance with business needs and the law. The Company reserves the right to keep a record of all passwords and codes used and/or may be able to override any such password system
- e. Employees are not permitted to access the electronic communications of other employees or third parties unless directed to do so by Company management. No employee may install or use anonymous email transmission programs or encryption of e-mail communications.
- f. Employees who use devices on which information may be received and/or stored, including but not limited to cell phones, cordless phones, portable computers, fax machines, and voice mail communications are required to use these methods in strict compliance with the Confidentiality section of this Handbook. These communications tools should not be used for communicating confidential or sensitive information or any trade secrets.
- g. Access to the Internet, web sites, and other types of Company-paid computer access are to be used for Company-related business only. Any information about CLIENT, its products or services, or other types of information that will appear in the electronic media about the Company must be approved before the information is placed on any electronic information resource that is accessible to others.

#### 4.9 Social Media Policy

CLIENT is committed to utilizing social media to enhance its profile and reputation, to listen and respond to customer opinions and feedback, and to drive revenue, loyalty and advocacy. We encourage

employees to support our activities through their personal social networking channels while adhering to the guidelines outlined in this section.

For the purpose of this section, social media and networking refers to the use of web-based and mobile applications for social interaction and the exchange of user-generated content. Social media channels can include, but are not limited to: Facebook, Twitter, LinkedIn, YouTube, blogs, review sites, forums, online communities, and any similar online platforms.

Employees are expected to conduct themselves in a professional manner and to respect the views and opinions of others. The Company and its employees are committed to conducting ourselves in accordance with best industry practices in social networking, to being responsible citizens and community members, to listening and responding to feedback, and to communicating in a courteous and professional manner. Behavior and content that may be deemed disrespectful, dishonest, offensive, harassing, or damaging to the company's interests or reputation are not permitted. The use of social media channels on company time for personal purposes is not allowed.

Any social media contacts, including "followers" or "friends," that are acquired through accounts (including but not limited to email addresses, blogs, Twitter, Facebook, YouTube, LinkedIn, or other social media networks) created on behalf of the Company will be the property of the Company.

Employees must not disclose private or confidential information about the Company, its employees, clients, suppliers, or customers on social networks. Employees must respect trademarks, copyrights, intellectual property, and proprietary information. No third-party content should be published without prior permission from the owner.

The Company maintains the right to monitor company-related employee activity in social networks. Violation of policy guidelines is grounds for discipline, up to and including termination.

#### **4.10 Cell Phone Policy**

The use of personal cell phones at work is discouraged because it can interfere with work and be disruptive to others. Therefore, employees who bring personal cell phones to work are required to keep the ringer shut off or placed on vibrate mode when they are in the office, and to keep cell phone use confined to breaks and meal periods. Conversations should be had away from areas where other employees are working. When cell phone use interferes with the satisfactory performance of an employee's duties or disturbs others, the privilege of using a personal cell phone at work may be taken away and other disciplinary action, up to and including termination, may be imposed.

The Company will provide domestic unlimited voice and data to all employees (but does not provide allowances for equipment, upgrades, or lost and damaged devices) through the corporate T-Mobile account. Employees may port over the number to this account. This allowance is an effort to improve efficiency and effectiveness. When cell phones are used for Company business, employees must comply

with all Company policies governing conduct, including our policies prohibiting discrimination, harassment, and violence in the workplace. When using the cell phone in a public place, please remember to maintain the confidentiality of any private or confidential business information. As a courtesy to others, please shut cell phones off or place on vibrate mode during meetings.

## Section 5: Employee Benefits and Services

### 5.1 General

Aside from those benefits required by state and federal regulations, CLIENT also offers additional benefits for its full-time employees. From time to time, benefits may be added or deleted from the benefits package. The Company reserves the right to make such changes.

This Handbook does not contain the complete terms and/or conditions of any of the Company's current benefit plans. It is intended only to provide general explanations. For information regarding employee benefits and services, employees should contact CLIENT or its benefits provider, JustWorks.

### 5.2 Group Health Insurance

CLIENT offers a group health plan for eligible employees. The Company's group health insurance plan is offered through Aetna. For more information, refer to the Company's benefits booklet for complete details and benefits.

### 5.3 Flexible Spending Account (FSA)

Under Section 125 of the IRS Code, the Company has set up a flexible spending account for employees who wish to take advantage of this provision. This plan allows employees to withhold a portion of their salary on a pre-tax basis to cover the cost of qualifying insurance premiums, out of pocket medical expenses and dependent care expenses (child and/or elder care) such as day care expenses and in-home dependent care. An amount selected by the employee is deducted on a pre-tax basis to cover these expenses. Any unused amounts in the medical and dependent care account will be forfeited after the end of the plan year.

### 5.4 401(k) Plan

CLIENT's 401(k) Plan is a convenient payroll deductible method to help supplement employees' retirement benefits and provide a long term vehicle to accumulate savings. For information regarding the company's 401(k) benefits, employees should contact CLIENT or its 401(k) provider, Slavic401k.

### 5.5 Commuter Benefits

Under Section 132(f) of the IRS Code, the Company has set up a commuter benefit program for employees who wish to take advantage of this provision. This plan allows employees to withhold a portion of their salary on a pre-tax basis to cover commuting costs via public transportation (bus, train, ferry, or registered vanpool) or qualified parking for employees. When the employee pays part or all of the cost of public transportation via a pre-tax payroll deduction, the employee can set aside up to \$130 a month of pre-tax income.

## 5.5a Bike Commuter Reimbursement

The Company will provide reimbursement of up to \$500 towards the purchase of an employee's bicycle to be used to commute to and from work, including commutes to and from trains and bus stations in order to complete the commute to work. The reimbursement covers only the bicycle, and not a helmet or other peripheral equipment.

## 5.6 COBRA

Under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986, if you are covered under the Company's group health insurance plan(s), you are entitled to continue your coverage in the event that your employment with the Company ends. Under COBRA, the Company must offer each qualified beneficiary (the employee and any covered dependents) who would otherwise lose coverage under the plan as a result of a qualifying event an opportunity to continue their insurance coverage. A qualifying event is defined as termination of employment, a reduction in the number of hours of employment, death of covered employee, divorce or legal separation, a dependent child ceases to be dependent, eligibility of the covered employee for Medicare, or an employer's bankruptcy.

## 5.7 Workers' Compensation

All states have Workers' Compensation laws whose purpose is to promote the general welfare of people by providing compensation for accidental injuries or death suffered in the course of employment. These laws are designed to provide protection to workers suffering occupational disabilities through accidents arising out of, and in the course of employment. CLIENT carries Workers' Compensation Insurance for all employees and pays the entire cost of the insurance program. An employee who suffers an injury or illness in connection with the job is usually eligible to receive payment through the insurance company for lost wages. In addition to disability payments, necessary hospital, medical and surgical expenses are covered under Workers' Compensation, with payments being made directly to the hospital or physician. Workers' Compensation benefits to injured workers also include assistance to help qualified injured employees return to suitable employment.

## 5.8 Social Security Benefits (FICA)

During your employment, you and the Company both contribute funds to the Federal government to support the Social Security Program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

## 5.9 Unemployment Insurance

The company pays a state and federal tax to provide employees with unemployment insurance coverage in the event they become unemployed through no fault of their own or due to circumstances as described by law. This insurance is administered by applicable state agencies, who determine eligibility for benefits, the amount of benefits (if any), and the duration of benefits.

## 5.10 Travel and Expense Reimbursement

The Company will reimburse employees for reasonable and necessary expenses incurred in connection with approved travel on behalf of the company. Employees should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Employees should follow all requirements, standards, and reimbursement procedures as covered in the current [CLIENT Travel and Expense Reimbursement Policy](#).

## 5.11 Employee Referral Program

The Company will provide an employee referral bonus to any employee (with the exception of senior management) who refers a candidate who is hired by The Company within six months (180 days) of the referral date. Recruiters and hiring managers will not be eligible for a referral bonus for any position for which they are directly or indirectly responsible. Employees should follow all requirements and referral procedures as covered in the current [CLIENT Employee Referral Program Policy](#).

## Section 6: Employee Leaves of Absence and Time Off

### 6.1 General

While regular attendance is crucial to maintain business operations, the Company recognizes that, for a variety of reasons, employees may need time off from work. The Company has available a number of types of leaves of absence. Some are governed by law and others are discretionary. For all planned leaves, however, employees must submit a request at least five (5) days in advance; in case of emergencies, employees should submit the request as soon as they become aware of the need for leave. All leaves must have the approval of Company management. If, during a leave, an employee accepts another job, engages in other employment or consulting outside of the Company, or applies for unemployment insurance benefits, the employee may be considered to have voluntarily resigned from employment with the Company.

All requests for a leave of absence will be considered in light of their effect on the Company and its work requirements, as determined by Company management, which reserves the right to approve or deny such requests in its sole discretion, unless otherwise required by law. For disability-related leave requests, the Company will engage in an interactive process with the employee to determine if a leave is the most appropriate accommodation. The employee must provide a certification from his or her health care provider to the Company to support a leave for medical reasons. Failure to provide the required certification to the Company in a timely manner will result in delay or denial of leave. If an employee requires an extension of leave, the employee must request such extension and have it approved before the expiration of the currently approved leave.

While the Company will make a reasonable effort to return the employee to his or her former position or a comparable position following an approved leave of absence, there is no guarantee that the employee will be reinstated to his or her position, or any position, except as required by law.

### 6.2 Sick Days

Eligible employees are entitled to \_\_\_\_\_ paid sick days per year. Sick days' pay for regular full-time employees will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis. When employees eligible for paid sick days do not take the full amount of sick time they could have taken in a year, that amount will be forfeited at the end of the year.

### 6.3 Personal Days

Eligible employees are entitled to \_\_\_\_\_ paid personal days per year. Personal days' pay for regular full-time employees will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis. When employees eligible for paid personal days do not take the full

amount of personal time they could have taken in a year, that amount will be forfeited at the end of the year.

#### **6.4 Vacation Days**

Eligible employees are entitled to ten (10) paid vacation days per year. Vacation days' pay for regular full-time employees will be calculated based on the employee's base pay rate times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis. When employees eligible for paid vacation days do not take the full amount of vacation time they could have taken in a year, that amount automatically carries over to the Next year.

#### **6.5 Holidays**

CLIENT observes the following paid holidays:

- New Year's Day
- Martin Luther King Jr. Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

The Company will grant paid holiday time off to all eligible employees. Holiday pay for regular full-time employees will be calculated based on the employee's base pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day. Regular part-time employees will be paid on a pro-rata basis.

If an eligible non-exempt employee works on a recognized holiday with Company approval, he or she will receive holiday pay plus wages at his or her straight-time rate for the hours worked on the holiday.

#### **6.6 Family and Medical Leave**

Because of the Company's small size, we are not required to comply with the federal Family and Medical Leave Act ("FMLA"). However, we recognize that our employees may occasionally need to take unpaid leave to care for a new child, to care for a seriously ill family member, to handle an employee's own medical issues, or to handle issues relating to a family member's military service, possibly including caring for a family member who is injured while serving in the military.

If you anticipate that you might need time off to deal with family and medical issues, please speak with your supervisor. We will seriously consider every request on a case-by-case basis.

### **6.7 Workers' Compensation Leave**

Any employee who is unable to work due to a work-related injury or illness and who is eligible for Workers' Compensation benefits will be provided an unpaid leave for the period required. The first twelve (12) weeks will be treated concurrently as a family and medical leave under the federal Family Medical Leave Act ("FMLA") for employees eligible for FMLA leave.

### **6.8 Bereavement Leave**

In the event of a death in the immediate family, employees may have up to five (5) working days, with pay, at their regular straight time rate or base salary, to handle family affairs and attend the funeral. "Immediate family" is defined as: father, mother, brother, sister, spouse, domestic partner, child, mother-in-law, father-in-law, grandparents, and grandchildren.

### **6.9 Jury Duty**

U.S. citizens have a civic obligation to provide jury duty service when called. Employees are entitled up to \_\_\_\_\_ working days, with pay, at their regular straight time or base salary for jury duty.

The employee must bring in the jury duty notice as soon as it is received so that appropriate arrangements can be made to cover his or her duties. Employees are required to call in or report for work on those days or parts of days when their presence in court is not required.

## Travel and Expense Reimbursement Policy

### Policy Brief and Purpose

It is the policy of CLIENT to reimburse staff for reasonable and necessary expenses incurred in connection with approved travel on behalf of the company. We strongly encourage use of travel discounts when making travel arrangements.

Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken. The overriding guiding principle is that those traveling on company business are asked to exercise prudent business judgment regarding expenses covered by this policy.

Business travel policies are aligned with company reimbursement rules. All business-related travel paid with CLIENT funds must comply with company expenditure policies.

### Authorization and responsibility

Staff travel must be authorized. Travelers should verify with their managers that planned travel is eligible for reimbursement before making travel arrangements. Within thirty (30) days of completion of a trip, the traveler must submit an Expense Report form and supporting documentation to obtain reimbursement of expenses.

An individual may not approve his or her own travel or reimbursement. The Expense Report form must be signed or approved in writing by the CEO, CFO, or COO (for travel over \$1,000) or by the business manager (for travel under \$1,000).

Travel and reimbursement for members of the management team must be approved by another member of the management team (if not for that individual) and will be reviewed annually by internal and external auditors.

Designated approval authorities are required to review expenditures, and reimbursement will be withheld if there is reason to believe that the expenditures are inappropriate or extravagant.

### Personal funds

Travelers should review reimbursement guidelines before spending personal funds for business travel to determine if such expenses are reimbursable. See below regarding Travel Expenses/Procedures for details. CLIENT reserves the right to deny reimbursement of travel-related expenses for failure to comply with policies and procedures.

Travelers who use personal funds to facilitate travel arrangements will not be reimbursed until after the trip occurs and proper documentation is submitted.

### **Vacation in Conjunction with Business Travel**

In cases in which vacation time is added to a business trip, any cost variance in airfare, car rental or lodging must be clearly identified on the Expense Report form. CLIENT will not prepay any personal expenses with the intention of being “repaid” at a later time, nor will any personal expenses be reimbursed.

### **Exceptions**

Occasionally it may be necessary for travelers to request exceptions to this travel policy. Requests for exceptions to the policy must be made in writing and approved in writing by the CEO, CFO, or COO. Exceptions related to the CEO, CFO, or COO’s expenses must be submitted to another member of the management team for approval.

## **Travel Expenses and Procedures**

### **General Information**

Authorized business travel for staff that includes prepayments must be pre-approved.

Reimbursement of parking, mileage, gasoline in lieu of mileage, and ferry or bus passes do not require requests if they are under \$10. Requests for reimbursement of expenses over \$10 are to be submitted on an Expense Report form.

### **Permissible prepaid travel expenses**

Before the travel, CLIENT may issue prepayments for airfare, rail transportation, rental vehicles, conference registration fees, and cash advances. Applicable policies and methods of payments for these prepayments follow:

**Airfare.** Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs. Airfare may be prepaid and purchased with a corporate credit card.

Travelers are encouraged to book flights at least thirty (30) days in advance to avoid premium airfare pricing. First-class tickets are not reimbursable.

Coach class or economy tickets must be purchased for domestic or international flights (defined as flight time totaling less than five consecutive hours, excluding layovers). A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating.

A less-than-first-class ticket (i.e., business class) may be purchased at CLIENT’s discretion for domestic flights exceeding five consecutive hours (excluding layovers) or international flights.

**Rail transportation.** CLIENT will prepay rail transportation provided that the cost does not exceed the cost of the least expensive airfare.

*Rental vehicles.* CLIENT will pay for approved use of a rental vehicle. See the section on reimbursements below in this section.

*Conference registration fees.* Conference registration fees can be prepaid with a corporate credit card. Business-related meals that are considered part of the conference can be paid with the registration fees; however, such meals must be deducted from the traveler's per diem allowance. See Meals (per diem) for more detail.

*Travel advances.* Cash advances are authorized for specific situations that might cause undue financial hardship for business travelers. These situations are limited to staff traveling on behalf of CLIENT.

Expenses associated with the travel must be reconciled and substantiated within fifteen (15) days of the return date. The traveler must repay CLIENT for any advances in excess of the approved reimbursable expenses.

#### **Reimbursements**

Requests for reimbursements of travel-related expenses are submitted via Expense Report forms. This form must be accompanied by supporting documentation.

Reimbursement of travel expenses is based on documentation of reasonable and actual expenses supported by the original, itemized receipts where required. Reimbursements that may be paid by CLIENT are detailed below.

*Airfare.* If the airfare was not prepaid by the company, an original itemized airline receipt, an e-ticket receipt/statement, or an Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.

Airfare guidelines per above should be followed.

First-class tickets are not reimbursable.

*Rail transportation.* CLIENT will pay for rail transportation provided that the cost does not exceed the cost of the least expensive airfare.

If rail transportation was not prepaid by the business office, an original itemized receipt, original e-ticket receipt/statement, or Internet receipt/statement is required. The receipt must show the method of payment and indicate that payment was made.

*Automobile (personally owned—domestic travel).* A valid driver's license issued within the United States and personal automobile insurance are required for expenses to be reimbursed. Drivers should be aware of the extent of coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature.

Reimbursement for use of a personal automobile is based on the CLIENT mileage rate.

An Expense Report is required for reimbursement for all vehicle-related expenses, including gasoline, wear and tear, and personal auto insurance. For 2018, the rate is \$0.545 per mile (per IRS guidelines). Travelers may opt to request reimbursement for gasoline in lieu of the CLIENT mileage rate. In these instances, original itemized receipts are required.

*Automobile (rental—domestic travel).* Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts are required.

CLIENT authorizes reimbursement for the most economic vehicle available. In certain circumstances, larger vehicles may be rented with supervisory approval. The rental agreement must clearly show the date and the points of departure/arrival, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts are required.

When vehicle rentals are necessary, CLIENT encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. CLIENT will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied.

Drivers should be aware of the extent of a coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature.

Parking fees, tolls and other incidental costs associated with the vehicle use are not covered by the rental agreement.

Travelers are strongly encouraged to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates.

*Conference registration fees.* If the conference fee was not prepaid, CLIENT will reimburse these fees, including business-related meals that are part of the conference registration. Original receipts to support the payment are required. If the conference does not provide a receipt, then a cancelled check, credit card slip/statement, or documentation that the amount was paid is required for reimbursement.

A prorated amount for the meals provided must be deducted from the traveler's per diem. See [Meals \(per diem\)](#) for more detail. Entertainment activities such as golf outings and sightseeing tours will not be reimbursed.

Registration fees paid directly by an individual will not be reimbursed until the conference is completed.

*Lodging (commercial).* The cost of overnight lodging (room rate and tax only) will be reimbursed to the traveler if the authorized travel is 45 miles or more from the traveler's home or primary worksite.

Exceptions to this restriction may be approved in writing by the CEO, CFO, or COO.

CLIENT will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate.

Only single room rates are authorized for payment or reimbursement unless the second party is representing the company in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If reimbursement for more than the single room rate is requested, the name of the second person must be included.

***Meals (per diem).*** Per diem allowances are reimbursable for in-state overnight travel that is 45 miles or more from the traveler's home or primary worksite.

Per diem allowances are applicable for all out-of-state travel that is 45 miles or more from the traveler's home or primary worksite.

CLIENT per diem rates are based on the U.S. General Services Administration Guidelines, which vary by city location. In addition to meals, these rates include incidental expenses such as laundry, dry cleaning and service tips (e.g., housekeeping or porter tips). Incidental expenses, unless specifically cited in this policy, will not be separately reimbursed.

Per diem reimbursements are based on departure and return times over the entire 24-hour day and are prorated accordingly.

If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed.

Receipts are not required for per diem allowances. Per diem allowances are reimbursed after the trip is completed.

***Business meals.*** Travelers are required to follow CLIENT expenditure policies when requesting reimbursement for business meals. Original itemized receipts are required.

***Business expenses.*** Business expenses, including faxes, photocopies, Internet charges, and business telephone calls incurred while on travel status are reimbursable expenses. Original itemized receipts are required.

***Parking.*** Original receipts are required for parking fees (including airport parking) totaling \$25 or more. The lodging bill can be used as a receipt when charges are included as part of the overnight stay.

***Telephone calls.*** The costs of personal telephone calls are the responsibility of the individual.

*Tolls.* Original receipts are required for tolls totaling \$25 or more.

*Miscellaneous transportation.* Original receipts are required for taxi, bus, subway, metro, ferry, ride-sharing services, and other modes of transportation if costs are \$25 or more for each occurrence.

*Visa, passport fees, and immunizations.* If these items are required for international travel, their reimbursement is left to the discretion of your supervisor. If approved by the designated authority, original itemized receipts are required.

#### **Non-reimbursable Travel Expenses**

The following items that may be associated with business travel will not be reimbursed by CLIENT:

- Airline club memberships
- Airline upgrades
- Business class for domestic flights with flight times totaling less than five consecutive hours (excluding layovers) or first class for all flights
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges
- Commuting between home and the primary work location
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion
- Evening or formal wear expenses
- Haircuts and personal grooming
- Laundry and dry cleaning
- Passports, vaccinations, and visas when not required as a specific and necessary condition of the travel assignment
- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs
- Travel accident insurance premiums or purchase of additional travel insurance
- Other expenses not directly related to the business travel

#### **Travel for Non-Employees**

Additional costs for travel, lodging, meal or other travel expenses for spouses or other family members will not be reimbursed unless the individual has a bona fide company purpose for engaging in the travel or attending the event.

# Employee Referral Program Policy

## Policy Brief and Purpose

CLIENT is always looking for good people, and you can help. Research has shown that new hires who come into a company through employee referrals are excellent contributors, stay with the company longer and are a more cost effective recruit.

That's where you come in! If you know someone who would be a good addition to CLIENT and they meet the qualifications for an existing open requisition, you may be awarded \$1,500 (less taxes) if you refer them for employment and they are hired.

## Scope

This Employee Referral Program Policy applies to everyone who refers a candidate to our company.

## Policy Elements

### What is an Employee Referral Bonus?

Our company will give out rewards as a "thank you" to every referrer. If you know someone who you think would be a good fit for a position at our company, feel free to refer them. If we end up hiring your referred candidate, you are eligible for a \$1,500 referral bonus. Our employee referral rewards may be higher if we hire your referred candidate in a hard-to-fill role.

To be eligible for an award, referrals must be submitted to Human Resources. To qualify for the referral bonus, efforts must be undertaken to assist with the active recruitment of the candidate (i.e., candidates who submit resumes based on a job posting without prior interaction with an employee referrer will not be considered active recruitment).

At the discretion of the Hiring Manager, referrals awards (and amounts) may also be granted to those employees who make significant efforts to actively participate in the recruitment of members of their professional networks. To the extent multiple employees actively participate in the recruitment of members of their professional networks, the referral award may be shared. In no event will an employee referral for a given hire exceed \$1,500 (unless it is previously determined that the referral reward is higher for the position because it is a hard-to-fill role).

### Additional Rules for Rewards:

- Referral bonuses will be paid out within thirty (30) days of the date of the candidate's hire.
- There is no cap on the number of referrals an employee can make. All referral bonus amounts will be paid accordingly.
- If two or more employees refer the same candidate, the Hiring Manager has the ultimate decision in how the referral award is to be shared among active employee recruiters.

- Referrers are still eligible for a referral bonus if the candidate is hired at a later time or is hired for another position.
- The hiring of a referred employee must occur within six months (180 days) of the initial referral date.
- Only candidates who meet the essential qualifications for the position will be considered.
- All information regarding the hiring decision will remain strictly confidential.
- All candidates will be evaluated for employment consistent with CLIENT policies and procedures.
- The referring employee must still be employed by CLIENT during the hired candidate's first thirty (30) days of employment in order to receive payment.
- Any disputes or interpretations of the program will be handled through Human Resources.

### **Who Can Participate in Our Employee Referral Program?**

All employees are eligible to participate in our referral program except for:

- Senior management (CEO, COO, and CFO)
- Recruiters and hiring managers for positions for which they are hiring

Note that hiring managers cannot be eligible for a referral bonus for a position for which they are directly or indirectly responsible. But, they can refer someone for a position that is in a different department, office, or function.

This exception does not apply to executives and senior management.

Vendors, contractors, consultants, and former employees are not eligible to refer candidates.

### **Who Can Be Referred?**

Two conditions exist for candidates who can qualify you for a referral bonus. They should:

- Have not applied to our company for at least a year.
- Be hired as permanent full- or part-time employees (not as temporary employees or contractors)

Please reach out directly to the HR department with referrals. Generally, you are encouraged to check our open positions and consider your social networks and external networks as potential resources for referred candidates.

Keep in mind that rewards may be subject to taxation. Please contact HR for more information.

We may change our referral bonus program over time to add more interesting incentives. We also reserve the right to abolish certain rewards if they prove ineffective or inefficient.

Any changes will be communicated in a clear and timely fashion. Employees who referred candidates before a referral bonus was abolished will still receive the appropriate bonus.

Please remember that CLIENT is an equal opportunity employer and does not discriminate against protected characteristics. Our referred candidates may take precedence in the hiring process. All candidates will be given the same consideration and will follow a process through our established procedures.

# Code of Business Conduct and Ethics

## Purpose and Scope

CLIENT, Inc. ("Next Inc.") and each of its subsidiaries, Next-INS Holding, Inc., CLIENT US Company, Next First Insurance Agency, Inc. and Next Claims Management, Inc., (collectively, "Next") is committed to the highest standards of legal and ethical business conduct and has operated its business consistent with principles and policies that reinforce this commitment. This Code of Business Conduct and Ethics (the "Code of Conduct"), summarizes the ethical and legal standards of conduct for directors, officers, and employees of Next along with any third parties authorized to act on Next's behalf. Next's business partners also are expected to share the same values and commitment to doing business with integrity. This Code of Conduct is a guideline, or a minimum requirement, and is not intended to provide a complete explanation of all issues that potentially can arise.

The Code of Conduct may be modified from time to time, and Next employees will be notified when any significant changes are made to it.

Should you have any questions or concerns about the Code of Conduct, please feel free to contact any manager, the Chief Financial Officer, or the Chief Executive Officer.

## Where to Report Your Concerns

Next expects you to report any conduct that you believe is a violation of this Code of Conduct. Next offers several resources where you can seek advice if you have questions or concerns about a situation involving this Code of Conduct:

- Bring your concern to the attention of your manager or another manager.
- Contact the Human Resources Department.
- Contact the Chief Financial Officer.
- Contact the Chief Executive Officer.
- Contact any member of the Next Board of Directors.

## Compliance with Laws, Rules, and Regulations

Next will comply with all laws and governmental regulations that are applicable to its activities, and likewise expects all employees to become familiar with and obey all applicable laws and regulations. Do not engage in any illegal activity or practices. If you observe or suspect any non-compliance, immediately bring the issue to the attention of your manager or another manager or contact another resource listed in this Code of Conduct.

## Felony Convictions

The Violent Crime Control and Law Enforcement Act is a federal insurance fraud law that regulates the involvement in the insurance business of individuals who have been convicted of a felony involving dishonesty or breach of trust. In order to comply with this law, Next requires employees to immediately

inform the Company of any felony convictions involving dishonesty or breach of trust. Failure to comply with this procedure is a serious legal concern. The penalties are severe and may include fines and/or prison time.

### **Falsification/Alteration of Documents**

You may not alter any Company or federal or state regulatory agency document or provide false information in those documents. This includes information stored electronically.

### **Integrity and Compliance**

All employees should observe the highest standards of business and personal ethics and practice honesty and integrity while conducting any Next business. Statements regarding Next's products and services must not be false, misleading, deceptive, or fraudulent. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Any employee who fails to adhere to this Code of Conduct may be subject to adverse action or discipline, up to and including termination of employment.

### **Confidentiality**

In the course of work, employees may have access to confidential or proprietary information regarding Next, its customers, suppliers, or other employees. As a condition of employment, all employees were required to sign a Confidentiality Information and Invention Assignment Agreement and are expected to abide by its terms and conditions at all times, including after termination of employment for any reason.

Employees have a responsibility and contractual obligation to not disclose or use any such information other than as necessary for the performance of work duties.

### **Employee Privacy**

Although some employees may have access to certain employees' sensitive personal information in the normal course of operations, Next is committed to protecting this data with the utmost confidentiality in accordance with local, state and federal laws. The Human Resources Department and limited other authorized personnel remain chiefly responsible for gathering, storing, and protecting employees' private data.

### **Discrimination and Harassment**

Next is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any discrimination or harassment.

### **Recordkeeping and Accounting Practices**

Next's financial books, records, and accounts must reflect transactions and events appropriately and conform to applicable legal requirements and to Next's system of internal controls. If you find or

suspect an error in any financial records you come across, you should immediately notify the CEO or, if the suspected violation involves the CEO, any member of Next's Board of Directors.

### **Conflicts of Interest**

Next fully respects the private life of each employee but expects all individuals to avoid situations that could result in an actual or potential conflict between their personal interests and those of Next.

A conflict of interest exists when you are in a position that causes you to choose between your personal interests and the best interests of the Company, customers, or shareholders. Independent judgment is critical to the performance of your job. To maintain that independence, avoid any employment, business dealing, relationship, or activity that could impair independent thinking and judgment.

You must always act in the best interests of the Company and aim to safeguard its reputation from the negative effects of conflicts of interest. Use prudent judgment to avoid any potential conflict of interest situation that might be subject to question. Even the appearance of a conflict can be interpreted negatively. You may know that you are behaving appropriately, but the mere fact that a question can be raised may hurt the Company.

### **Related-Party Transactions**

All business decisions made on behalf of Next must be based on sound ethical judgment, in the best interests of Next and free of undue influence, preferential treatment or special benefit to any individual. A "Related Party transaction" often gives rise to a potential conflict of interest. The determination of whether a company or person is a related party can be complex. Broadly speaking, these can include investors, officers, and employees or family members of these groups; and/or companies in which any of these parties hold a material investment interest or have significant influence or other non-monetary interests. Transactions between Next and other companies or persons having "related party" status must be reviewed and approved in advance by both the Chief Financial Officer and the Chief Executive Officer.

Failure to adhere to this Code of Conduct, including failure to disclose any conflicts or to seek an exception, may result in discipline, up to and including termination of employment.

### **Reporting Conflicts of Interest**

Next requires all employees to report conflicts of interest to a manager or a member of senior management. The Chief Financial Officer must approve any exception to this Code of Conduct in advance in writing. If the suspected violation involves the Chief Financial Officer, the employee should report the suspected violation to the Chief Executive Officer or to any member of the Next Board of Directors.

## Complaint Policy for the Code of Conduct

The prevention, detection, and reporting of violations of this Code of Conduct is the responsibility of all employees. Matters that should be reported include, but are not limited to, suspected fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, misuse of company assets, conflicts of interests, or other suspected compliance or ethics-related issues, or any concern of a serious nature that could adversely affect Next.

Next will investigate all reports promptly and with the highest degree of confidentiality that is possible under the specific circumstances. Confidentiality of the employee submitting the complaint will be maintained to the fullest extent possible consistent with the need to conduct an adequate investigation. Next may find it necessary to share information on a “need to know” basis in the course of any investigation, however. If the investigation indicates that a violation of this Code of Conduct has likely occurred, Next will take such action as it believes to be appropriate under the circumstances.

Reporting concerns or complaints in good faith, even if the facts subsequently prove to be inaccurate or do not result in any follow-up, will not make the reporter subject to any adverse employment action.

Employees should make every effort to report their concerns using one or more of the methods specified above, and if the problem is not resolved, the employee should make an effort to use another method specified above (such as contacting another Next representative). The complaint procedure under this Code of Conduct is specifically designed so that employees have a mechanism that allows them to bypass a supervisor or other Next representative he or she believes is possibly engaged in prohibited conduct.

No employee who in good faith reports a violation of this Code of Conduct shall suffer harassment, retaliation, or any other adverse consequences. An employee who retaliates against someone who has reported a violation in good faith is subject to adverse action or discipline, up to and including termination of employment.

## At-Will Employment Agreement and Acknowledgement of Receipt of Employee Handbook

Employee: \_\_\_\_\_

I acknowledge that I have been provided with a copy of the CLIENT (the "Company") Employee Handbook, which contains important information on the Company's policies, procedures and benefits, including the policies on Anti-Harassment/Discrimination, Substance Use and Abuse and Confidentiality. I understand that I am responsible for familiarizing myself with the policies in this handbook and agree to comply with all rules applicable to me.

I understand and agree that the policies described in the handbook are intended as a guide only and do not constitute a contract of employment. I specifically understand and agree that the employment relationship between the Company and me is at-will and can be terminated by the Company or me at any time, with or without cause or notice. Furthermore, the Company has the right to modify or alter my position, or impose any form of discipline it deems appropriate at any time. Nothing in this handbook is intended to modify the Company's policy of at-will employment. The at-will employment relationship may not be modified except by a specific written agreement signed by me and an authorized representative of the Company. This is the entire agreement between the Company and me regarding this subject. All prior or contemporaneous inconsistent agreements are superseded.

I understand that the Company reserves the right to make changes to its policies, procedures or benefits at any time at its discretion. However, the at-will employment agreement can be modified only in the manner specified above. I further understand that the Company reserves the right to interpret its policies or to vary its procedures as it deems necessary or appropriate.

I have received the Company Employee Handbook. I have read (or will read) and agree to abide by the policies and procedures contained in the Handbook.

By: \_\_\_\_\_ Date: \_\_\_\_\_

By: \_\_\_\_\_ Date: \_\_\_\_\_