

Employee Handbook Section II

Specific Policies

Particular benefits may have additional limitations or qualifications not contained in this Orientation Guide. Qualifications outlined in the particular benefit package supersede those outlined in the following guidance.

INSURANCE

_____ recognizes the needs of employees for financial protection in the event of illness or injuries that result in medical expense and loss of income. Providing adequate, cost-effective medical, dental, long term disability and life insurance protection is a concern of _____.

_____ provides group life insurance, group health insurance, group dental and a group long-term disability program at no cost to the employee.

For specific questions on the nature and extent of the plan benefits, contact the Vice President. The company benefit programs are defined in employee handbooks available after enrollment in the plans.

Effective July 1, 2000, eligible employees are qualified for coverage starting the first day of the month following employment. Terminated employees shall be covered up until the end of the month employment terminated.

Dependents of the employee are eligible for participation in the group medical and dental insurance program in accordance with the policy. The cost of dependent insurance is employee paid.

ANNUAL LEAVE / VACATION

1. Annual leave accrues according to the schedule that follows for full-time employees:

0 - 5 years	3.33 hours per pay period (10 days per year)
5 - 10 years	5.00 hours per pay period (15 days per year)
10 years and over	6.66 hours per pay period (20 days per year)
2. Annual leave shall not accrue during an absence in a non-pay status.
3. Annual leave in excess of 37.5 days shall not be carried forward into the next fiscal year, but shall be reimbursed to the employee at the employee's current rate of salary.
4. Annual leave taken due to an unexpected emergency shall require that notification be given to the Supervisor within one hour.
5. Annual leave shall be used for all absences except for personal illness.
6. Each employee shall be expected to take at least one-week continuous leave during each fiscal year.
7. Annual leave of less than one week shall be requested at least three days prior to such leave. Leave in excess of one week shall require notice at least equal to the amount of leave time requested. The _____ or his/her designee must approve all annual leave.
8. At the time of resignation or dismissal, all accrued annual leave will be reimbursed to the employee at the employee's current rate of salary.
9. Employees may transfer up to 40 hours of annual leave during one year to another employee who is on extended sick leave and has expended all of their accrued leave.

HOLIDAYS

_____ provides _____ paid holidays each year. The company is officially closed on these days:

If these holidays fall on Saturday, the preceding Friday will be a holiday. If they fall on Sunday, the following Monday will be a holiday.

In December the _____ shall designate two additional holidays for the following calendar year. Other days may be declared as holidays at the discretion of _____.

SICK LEAVE

1. Sick leave accrues at the rate of 3.33 hours per pay period (10 days per year).
2. Sick leave shall not accrue during an absence in a non-pay status.
3. Sick leave in excess of 30 days shall not be carried forward into the next fiscal year, but shall be reimbursed to the employee at a rate of 100 percent of the employee's current salary.
4. Sick leave shall only be used for reasons of personal illness or that of a spouse, parent, child or guardian.
5. An employee who does not use any sick leave during the year may transfer up to 40 hours of sick leave to annual leave. If the employee uses less than 16 hours of sick leave during the year the balance of the 40 hours may be transferred to annual leave upon written request to the Vice President. Any employee who uses more than 16 hours of sick leave in the year cannot transfer any sick leave to annual leave.
6. All requirements of the Family and Medical Leave Act will be followed, as required.

It is in the best interest of an employee who is ill or injured that the employee not remain at work. It is the Supervisor or Manager's responsibility to send the employee home if the employee is incapacitated. If the employee has no accrued sick leave, annual leave will be used. If the employee has no annual leave accrued, the employee will not be paid for that period.

Time for routine doctor or dentist appointments is to be charged to sick leave. Employees are encouraged to make such appointments before arriving for work or after leaving work for the day, if possible. If time off is required for such appointments, arrangements should be made in advance with the employee's Supervisor or Manager.

The employee must use accumulated sick leave in conjunction with income protection plans or other sources of disability income to achieve full pay for as long as possible. However, at no time can the combination of these exceed normal earnings.

An employee is expected to notify his or her Supervisor or Manager at the beginning of each workday during illness or injury. Exceptions to this include a serious accidental injury, hospitalization and when it is known in advance that the employee will be absent for a certain period of time.

The employee shall be entitled to use three days of sick leave for the bereavement of his/her mother, father, husband, wife or children, this policy is in addition to the normal sick time allowance.

A Medical Release Statement is to be submitted to the employee's Supervisor/Manager for review before the employee returns to work in the following situations:

- Ten or more consecutive workdays of absence due to illness or injury;
- In all cases of work-related injury when the employee has been unable to work after the time of the injury; or
- When returning from medical or maternity leave of absence.

RETURN TO WORK AFTER SERIOUS INJURY OR ILLNESS

_____ recognizes that there are instances where, due to certain illnesses or injuries, an employee will be unable to return to work for an extended period of time. In such instances, it is the responsibility of the employee to notify the Affirmative Action/Equal Employment Officer or his/her designee. This notification shall include a statement written by the employee's medical doctor specifying the length of the absence, the anticipated return date and any restrictions that the employee may be under when returning. A maximum six month contract extension will be granted to employees who cannot return to work because of illness or injury based on the employee's work history, funding and employee evaluations. Employees with whom the Corporation does not intend to renew a contract and/or who have been given notice of the corporation's intentions in accordance with existing personnel policies will not be eligible for the six-month extension.

As a joint protection to the employee and the company, employees who have been absent from work because of serious illness or injury are required to obtain a doctor's release specifically stating that the employee is capable of performing his or her normal duties or assignments. A serious injury or illness is defined as one that results in the employee being absent from work for more than two consecutive weeks or one which may limit the employee's future performance of regular duties or assignments.

_____'s, officers shall ensure that employees who return to work after a serious injury or illness are physically capable of performing their duties or assignments without risk, re-injury or relapse.

If the cause of the employee's illness or injury was job-related, the employee's Supervisor/Manager will make a reasonable effort to assign the returning employee to assignments consistent with the instructions of the employee's doctor until the employee is fully recovered. A doctor's written release is required before recovery can be assumed.

LEAVE OF ABSENCE

Leave of absence is time off in a non-pay status. An employee must submit a request for leave of absence in writing to his or her Supervisor/Manager. Managers will forward the request for final approval to the _____ accompanied by the Supervisor and Manager's recommendation. The employee is expected to request leave of absence with as much advance notice as possible. Leaves of absence will not be granted for periods less than two weeks in duration. Annual or sick leave should be used for such absences.

The reason for leave should fall into one of the following categories:

1. Medical (including pregnancy-related);
2. Military; or
3. Personal.

The employee has the responsibility to keep the Affirmative Action/Equal Employment Officer or his/her designee advised of the leave situation and to contact his or her Supervisor/Manager at least two weeks prior to the expiration of the approved leave to discuss return to work. If the employee desires voluntary termination, this should be reported as soon as possible. _____ will make a reasonable effort, consistent with good business practices and _____'s, needs, to reinstate an employee to the same position he or she previously occupied or to a similar position following a leave of absence. However, in the case of leave of over six months, the company cannot guarantee that the same or a similar position will be available at the time an employee desires to return to work, or thereafter. If this situation occurs, _____ reserves the right to offer the employee a lower-level position if one is available at the appropriate salary for such a position. An exception to this rule is where an employee is guaranteed reemployment rights under federal or state laws.

Benefits Determination

1. Holidays. To be paid for a holiday, an employee must be in active pay status the day before and the day after the holiday. Employees are not eligible to receive pay for any holiday during the leave period.
2. Vacation Leave. No annual leave hours are earned during the leave period. Employees requesting a leave of absence for medical or military reasons may choose to use all earned annual leave before beginning leave of absence. Employees requesting personal leave of absence must use all earned annual leave before beginning leave of absence.
3. Sick or Personal. No sick or personal hours are accumulated during the leave period. Permissive or mandatory use of accumulated sick or personal leave is governed by the rules in paragraph 2, above.
4. Insurance. The company will continue the employee's insurance benefits on an approved leave of absence for only medical reasons. In the case of military leaves, insurance benefits will be continued for up to 10 working days per year starting with the day military leave begins.

Notwithstanding the above, an employee on leave of absence who fails to return to work at the agreed upon time will be terminated effective his or her last day of work or paid leave (vacation, sick or personal), whichever is later.

RETIREMENT PLAN

_____ is currently maintaining the _____ Retirement Plan. The contribution to be made by _____ is discretionary within the restraints of Internal Revenue Code Section 415. Since July 1, 2000, _____ will contribute up to 10 percent of each participant's eligible compensation. _____ reserves the right to change the contribution rate yearly.

Entry date is defined as the earlier of the first day of the Plan Year or the first day of the seventh month of the Plan Year coinciding with or following the date on which an Employee meets the eligibility requirements. The Plan shall cover only Employees having completed at least 6 months of service.

The Retirement Plan shall cover all employees who have met the age and service requirements.

Employee vesting rights are based on six years of service, with 20 percent after two years of service and 20 percent for each additional year of service. At six years of service the employee will have 100 percent vesting rights in the Retirement Plan.

An otherwise eligible employee will be entitled to a Retirement Plan while on leave of absence in accordance with the rules of the retirement plan and related policy. If the leave began before eligibility was established, eligibility will be postponed until the employee returns to work.

A Retirement Plan summary is available for review at all times.

JURY DUTY

Time off for mandatory jury duty or court appearances required as a result of a valid subpoena or court order is excused and paid at full salary for the first 10 days of such duty. Required absence in excess of 10 days shall be evaluated for impact on the corporation. There will be no adjustment in the employee's salary for receipt of jury duty pay, witness fees or expenses. The employee is expected to report for work when it does not conflict with court obligations. It is the employee's responsibility to keep his or her Supervisor/Manager periodically informed about the amount of time required for jury duty or court appearances. Time off for court appearances as a party to any civil or criminal litigation shall not be compensated by _____ and the employee must arrange for time off without pay or use accrued vacation leave for such appearances.

EMPLOYEE INCURRED EXPENSES AND REIMBURSEMENT

To ensure that all proper business-related expenses incurred by employees are reimbursed, the following procedure has been established:

1. All expenditures are to be approved in advance by the employee's Manager and the President or his/her designee unless circumstances prevent advance approval.
2. All business-related expenditures must be accompanied by a receipt or evidence of expenditure to receive reimbursement.
3. All items purchased or charged by the employee are to be itemized on the approved company expense report.
4. Expense reports must be signed and dated by the employee, initialed by the manager and signed by _____ or his/her designee showing final approval. Reports are due in the accounting department within 30 days of the expenditure. Approved reimbursement will be made in accordance with the regular check-processing schedule.

MILEAGE REIMBURSEMENT

Eligible employees of _____ who use their personal vehicle for company purposes, will be reimbursed at \$.325 per mile. This reimbursement rate is intended to compensate the employee for all costs related to the operation of his or her personal vehicle on company business. The employee assumes liability for his or her personal vehicle in work-related travel. Employees must sign a statement confirming that they have a valid driver's license and sufficient vehicle liability insurance. Employees are not encouraged to transport clients or other individuals in the performance of their job duties.

Travel expenses between home and work location are not reimbursable. Most company-related travel will originate from the employee's assigned company location. In those cases where it is advantageous (time and distance considered) to leave directly from the place of residence, the request for reimbursement should be based upon total miles traveled for the company less normal daily mileage to and/or from the work location.

Mileage reimbursement will be approved by the Supervisor/Manager by submitting an expense report detailing the purpose of such travel, date of travel, and mileage traveled. All such expense reports must be submitted for approval as soon as possible but no later than 30 days after the last day of travel. Requests for reimbursement are due in the Accounting Department on the last working day of each month. The employee's reimbursement will be available in accordance with the check-processing schedule established.

TRAVEL REIMBURSEMENT

All company travel, conference and meeting expenses must clearly serve the objectives of the organization and should not conflict with the ethical standard of our organization. In preparing for company travel, prior approval must be obtained from the employee's Supervisor/Manager by submitting a travel approval request memo detailing the itinerary, estimated cost and business purpose of travel.

This policy establishes the general guidelines and procedures to be followed when business travel is required:

1. All travel shall be approved by the _____ or his/her designee. The Officers of _____ shall approve travel by the _____.
2. Travel-related expenses are to be detailed on the company travel reimbursement form.
3. Employees who prefer to use their personal vehicles for their convenience on company business, including trips to the airport, will be reimbursed at the standard company mileage rate provided that the time and distance involved is reasonable under the circumstances.
4. All parking expenses and highway tolls incurred as a result of business travel will be reimbursed.
5. All travel shall be at tourist, coach or less than first class unless itinerary or unavailability dictates otherwise. All local area automobile travel shall be reimbursed at \$.325 per mile.
6. Employees should request advance approval for use of a rental car at their destination. If a rental car is used, additional insurance should not be purchased because of _____'s, existing insurance coverage. A copy of the rental car agreement form must accompany the travel reimbursement form.
7. Employees should select moderately priced lodging convenient to their destination to minimize time and expense. A detailed receipt from the hotel or motel must accompany the reimbursement form unless such is unavailable, in which case a credit card receipt is acceptable.
8. An individual may be reimbursed for meals if the expense is related to meeting attendance and expense.
9. For the purpose of these policies, travel shall be classified in one of the following categories:

Class A - Travel for more than a 24-hour period, which involves the cost of lodging.

Class B - Travel for less than a 24-hour period, which involves an overnight stay.

Class C - Travel for a portion of a 24-hour period.

For travel of less than 24 hours (Class C) when a night's lodging is not required, a subsistence allowance for the actual cost of meals only shall be provided as follows:

- Breakfast-must leave before 6:00 a.m., and return after 8:00 a.m.
- Lunch-must leave before 12:00 noon, and return after 2:00 p.m.
- Dinner-must leave before 6:00 p.m., and return after 8:00 p.m.

Traveling in the Class A and B categories shall have the option of per diem (\$50.00) or actual expense.

Per Diem is computed on a quarterly basis. Payment for a quarter shall commence in the first quarter of travel. A quarter is defined as follows:

- 12:00 a.m. to 5:59 a.m.
- 6:00 a.m. to 11:59 a.m.
- 12:00 p.m. to 5:59 p.m.
- 6:00 p.m. to 11:59 p.m.

A traveler may be reimbursed the actual cost of food and lodging.
_____ will not reimburse for the cost of alcohol.

Other Expenses

In addition to meals, lodging and transportation the following incidental traveling expenses may be reimbursed with appropriate receipts:

- Taxi fare;
- Ferry fares and bridge, road and tunnel tolls;
- Storage or parking fees;
- Business related communication expense; and
- Registration fees while attending an authorized conference, convention or training session.

Travel Advances

_____ may make, or authorize the making of, advances to cover the anticipated cost of travel. These advances shall be recorded in a balance sheet receivable account and supported by a subsidiary ledger.

_____ may authorize travel and expenses above the per diem rates in extenuating circumstances.

USE OF RENTAL CAR ON COMPANY BUSINESS

Employees required to travel in fulfilling their job responsibilities may rent a car upon receiving the approval of the President or his/her designee. An economy or compact size car will be the employee's first choice in obtaining a rental car. _____ is self-insured for damage to rental cars used on company business. Any additional insurance charges offered as an option by the rental company are not reimbursable. A copy of the rental car agreement must accompany the employee's monthly travel expense report.

CONFERENCES AND MEETINGS

_____ encourages employees to increase their job-related skills and knowledge through participation in professional conferences and meetings. Employees may request time off or company financial support or both to attend conferences or meetings sponsored by institutions or professional organizations. Employees must submit a request to their immediate Supervisor for approval to attend such conferences or meetings. The subject matter to be presented must relate directly to the employee's position or provide beneficial information to be shared in the employee's department. The request must identify the subject matter of the presentation, how it is job-related and an estimate of the expenses.

The employee's Manager and/or _____ must approve the employee's participation in the conference or meeting.

The company may choose to pay for all or part of the following expenses if approved in advance: tuition or registration fees, travel costs, lodging and meal expenses not covered by registration. Time for attendance and travel during normal working hours will be paid at the normal rate of pay.

PROFESSIONAL MEMBERSHIPS

Employees are encouraged to participate in and continue their professional development while employed by _____. The corporation will sponsor one membership in a job-related professional organization per employee per year. Employees are encouraged to invite other interested employees to appropriate organizational functions and to distribute publications and other organizational literature of general interest within the corporation. Approval of a company-sponsored membership in an appropriate professional organization will be the responsibility of the employee's Department Manager. Approval for attendance at meetings during work hours will be at the discretion of the corporation.

EDUCATIONAL ASSISTANCE

Educational assistance is available to all full-time employees beginning after the first year of service. The decision to provide this monetary assistance is based upon the Supervisor's/Manager's recommendation.

Courses must be attended on the designated premises of the sponsoring institution. Exceptions to this policy are courses offered by television. Courses qualifying for financial assistance are those directly related to the employee's present assignment or directly related to the employee's job family (knowledge that will be used within a reasonable length of time).

Educational assistance approval must be received in advance. The employee and his or her Manager will jointly prepare an educational assistance request. The request will include the course description; dates of enrollment; the costs of tuition, registration fees, required textbooks and laboratory fees and how each course provides a benefit to the organization. The President who will forward the request to the finance department makes final approval.

Within 30 days of completion of the course, the employee must submit documents to the President for reimbursement indicating that the course was completed, the grade received and original receipts for all approved expenses.

The corporation will reimburse the employee for costs associated with job-related courses if the employee receives at least a "C" grade point average. No reimbursement will be made for incomplete course work.

ETHICS PROVISIONS SUMMARY

(Adopted from ABA Model Procurement Code
Recommended Regulations, Third Printing
Published September 1990)

Employee Conflict of Interest

It is a breach of ethical standards for an employee to participate directly or indirectly in a procurement when:

1. The employee or immediate member of his/her family has financial interest in the procurement.
2. A business organization in which the employee or any member of the immediate family has a financial interest pertaining to the procurement; or
3. Any other person, business or organization with which the employee or any immediate family member is negotiating or has an arrangement concerning prospective employment is involved in the procurement.

Where the employee or immediate family member holds financial interest in blind trust, there will be no conflict of interest provided that the blind trust has been disclosed to the organization.

Whenever the employee discovers or becomes aware of such an actual or potential conflict, he/she should promptly withdraw from the procurement or seek guidance on participation from the group that governs procurement ethics for the agency.

DISCLOSURE

Staff members of _____ are subject to the Code of Ethics for Public Officers and Employees, for the states in which they do business. In accordance with these codes, employees authorized to commit public funds may be required to annually complete a Commission on Ethics Form, Statement of Financial Interests and Disclosure of Gifts from Governmental Entities and Direct Support Organizations and Honorarium Event Related Expenses. Any employee involved in the procurement process not authorized to commit public funds will be required to complete a written declaration on non-conflict.

GRATUITIES AND KICKBACKS

It is a breach of ethical standards for anyone to offer, give or agree to give any employee, or for an employee to accept from another person, a gratuity or an offer of employment in connection with any aspect of procurement.

PROHABITION AGAINST CONTINGENT FEES

It shall be a breach of ethical standards for anyone to be retained, or to retain anyone, to solicit or secure a contract for a commission, brokerage or contingent fee or the promise of such payments.

RESTRICTIONS ON EMPLOYMENT OF EMPLOYEES

It is a breach of ethical standards for anyone involved in the procurement process to be simultaneously employed by the contracting agency and any organization or individual contracting with the agency.

USE OF CONFIDENTIAL INFORMATION

It is a breach of ethical standards for any employee or former employee to use confidential information for actual or anticipated personal gain, or for the actual or anticipated personal gain of any other person.

IMMEDIATE FAMILY AND RELATIVES

Relatives of _____ employees may apply and, if qualified, will be considered for employment except in certain sensitive areas such as accounting. Relatives will not be allowed to supervise or evaluate each other. Immediate family and relatives are defined as any persons related to the employee by blood, marriage or adoption in the following degrees: parent, child, grandparent, grandchild; brother, sister, brother-in-law, sister-in-law; aunt, uncle, niece, nephew; first-cousin.

Relatives may participate in a _____ program as determined on a case-by-case basis by the President.

No employee's relative may be enrolled or employed in a _____ program without written consent of the President.

GRATUITIES TO GOVERNMENT EMPLOYEES OR OFFICIALS

In adherence to government regulations, no corporation employee may offer a gratuity to any government employee or official on behalf of, or in pursuance of, corporation business. Gratuities are defined as meals, drinks, gifts, expenses, cash or any other item of value including personal service. An offer to provide, or the actual provision of any form of gratuity to a government employee or official, will constitute grounds for immediate termination.

GRATUITIES TO CUSTOMER REPRESENTATIVES

As an employee of _____ you may not offer to give or accept a gratuity from a client, contractor or potential contractor or a representative of either in pursuance of business or in conjunction with negotiating business on behalf of this corporation. Gratuities are defined as anything of value. Expenses for meals as part of a seminar, convention or business meeting and marketing items are not within the definition of gratuities for purposes of this policy. Invitations extended by a client, contractor or potential contractor to participate in any program or activity should be referred to your Manager for approval on a case-by-case basis. Any violation of this policy will constitute grounds for immediate termination of the employee.

POLITICAL ACTIVITIES

In recognition of its responsibilities as a business citizen, _____ encourages its employees to accept the personal responsibility of good citizenship, including participation in civic and political activities in accordance with their interests and abilities.

_____ accepts without reservation the basic democratic principle that all employees are free to make their own individual decisions in civic and political matters. Therefore, no employee's status with the corporation will be affected, in any way whatsoever, because of participation or non-participation in lawful civic and political activities.

Participation in civic and political activities is considered to be a personal matter and, as such, is generally to be carried on outside of normal working hours. No political activities or solicitations will be carried on within corporation premises.

Political activities are defined for purposes of this policy as activities in support of any partisan political issue, or controversial issues or activities in support of or in concert with any individual candidate for political office or a political party which seek to influence the election of candidates to federal, state or local offices or any issue. The definition includes employees who are or may be candidates for political office.

The corporation reserves the right to deny time off for political activity where the activities, in the opinion of the corporation, would unduly interfere with the employee's fulfillment of any obligations to the corporation. However, when an employee's full time is required for political activity, a leave of absence without pay may be granted (Refer to Section III-4-5).

EMPLOYEE PRIVACY

_____ believes that nothing should be placed in an employee's personnel file unless there is a clear business reason for doing so. _____'s, employee privacy philosophy is further reflected in the following statements:

1. Personnel files will include only job-related information pertinent to employment.
2. Employees may see information in their own personnel files. If an employee disagrees with the information, he or she may submit written comments that will be attached to the information.
3. When asked to do so by an employee, the company will explain its need for certain personal information.
4. Personnel files are open only to company personnel on a business-related, "need to know" basis unless the company is legally required to release them by court order or subpoena.
5. Employees must give their written permission before there will be external disclosure of their personal information with the exception of the following information:
 - A. Verification of dates of employment, positions held and salary when requested by the employee's prospective employer; or
 - B. Personal information that the company is legally required to reveal by court

order or subpoena.

In the latter case, the employee will be informed prior to the disclosure if reasonably possible.

6. Letter or inquiries of professional reference will be provided only under the authorization of the Vice President or his/her designee.

TELEPHONE POLICY

A large percentage of the corporation's business is transacted by telephone. The telephone equipment of the company is provided for the purpose of providing service to our customers; therefore, it is necessary to limit your personal calls to an absolute minimum number. Personal calls should only be made in case of absolute necessity or emergency. If non-emergency personal calls must be made, please arrange to keep them to minimum. No long distance personal calls may be made on corporation phones.

SEXUAL HARASSMENT

It is the policy of _____ to provide a work environment free from verbal, physical and visual (signs, posters or documents) forms of sexual harassment. The corporation will promptly investigate any allegation of sexual harassment and, if it is determined that sexual harassment has occurred, appropriate disciplinary action, up to and including discharge of the offending employee, will be taken.

Sexual harassment is defined as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature that creates an intimidating, offensive or hostile work atmosphere. Behavior of this nature is against the law, unprofessional and can distract employees from performing their job functions. Therefore, unwelcome sexual advances; requests for sexual favors or verbal or physical conduct that has sexual connotations will not be tolerated. Such behavior by vendors, contractors and other non-employees who have reason to be on company premises or who otherwise have dealings with our employees also will not be tolerated.

Such conduct, when experienced or observed, must be reported to the Supervisor/Manager or Affirmative Action/Equal Employment Officer. The Supervisor/Manager will conduct an investigation and will be required to report the findings to the Affirmative Action/Equal Employment Officer. The privacy of the employee under investigation shall be respected at all times.

Any sexual harassment is considered to be a major violation of company policy and will be dealt with accordingly by corrective counseling and/or suspension or termination depending upon the severity of the violation.

DRUG FREE WORKPLACE POLICY

Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. It is our intent and obligation to provide a drug-free, healthful, safe and secure work environment.

The unlawful manufacture, distribution, dispensation, possession or use of a controlled substance on company premises or while conducting company business off company premises is absolutely prohibited. Violations of this policy will result in termination and may have legal consequences.

The company recognizes drug dependency as an illness and a major health problem. The company also recognizes drug abuse as a potential health, safety and security problem. Employees needing help in dealing with such problems are encouraged to use our employee assistance program and health insurance plans, as appropriate.

Conscientious efforts to seek such help will not jeopardize any employee's job, and will be kept confidential. Any employee seeking assistance should see either the Affirmative Action/Equal Employment Officer, Vice President, or President. All discussions will be kept strictly confidential.

Employees who appear to be in an impaired condition on the job may be asked by their manager/supervisor to submit to a test by a bonafide company or agency to determine whether they are under the influence of alcohol or illegal drugs. The types of tests that may be used include Breathalyzer tests, blood tests, and urinalysis.

Employees must, as a condition of employment, abide by the terms of the above policy and report any conviction under a criminal drug statute for violations occurring on or off company premises while conducting company business. Any sale of illegal drugs during the workday or on the employer's premises will be treated as gross misconduct punishable by immediate discharge for the first offense. Any employee who is arrested for selling drugs while off duty will be discharged if convicted of a criminal offense. A report of a conviction must be made within five (5) days after the conviction. (The Drug-Free Workplace Act of 1988 mandates this requirement)

SAFETY AND HEALTH

_____ provides its employees with a safe work environment. All means are taken to ensure the comfort and well being of its employees. Workstations or work areas are configured to provide the utmost in ergonomic correct features. Special arrangements, within reason, are made to accommodate any individual employee who may have a handicap or need special attention due to a disability.

Any employee should report any safety concern to their immediate supervisor. If an employee needs special arrangements to because of a disability or health related reason, they must notify their supervisor so the situation can be evaluated.

ATTENDANCE POLICY

Employees at KOG are professional people and are expected to behave, act and perform as such. Attendance to workplace and job responsibilities is something that is expected.

Supervisors and managers monitor the attendance and tardiness of each employee. Unexcused absences are grounds for disciplinary process. An employee who has two or more unexcused absences in a 30-day period, or three or more occurrences of tardiness in a 30-day period is subject to discipline according the policy.

Leaving the workplace early, returning from lunch or pre-schedule appointments late, will be classified as tardiness and the above rule will apply.

Date Issued: **February 1, 2003**

Subject: **Policy on the Use of Cellular Phone Personal Data Assistant (PDA), Laptop or Pager while operating a vehicle in the performance of business.**

Expiration: **Until Rescinded or Superceded**

_____ is concerned about the use of any device that creates a potential distraction while operating a vehicle in the performance of business, whether it is a cell phone, a Personal Data Assistant (PDA), a laptop or a pager.

The use of cellular phones has skyrocketed in recent years, with more than 117 million subscribers in the United States as of July 1, 2001. This increase has been accompanied by an increase in the number of individuals concurrently driving and talking on the cell phone. Recent estimates suggest that cell phone users spend 60% of their cell phone time while driving. The precise effects of cell phone use on public safety are unknown; however, because of the possible increase in risks associated with the use of cell phones while driving, several legislative efforts have been made to restrict cell phone use on the road. Currently, New York is the only state to have passed legislation banning the use of hand held cell phones while driving. However, 42 other states are considering similar legislation and numerous cities and municipalities already have various types of restrictions in place. In most cases, the legislation regarding cell phones and driving makes the tacit assumption that the source of any interference from cell phone use is due to peripheral factors such as dialing and holding the phone while conversing. As _____ conducts business in several States, it is important that a comprehensive policy on the use of cell phones, PDA's, laptops or pagers while operating a vehicle is developed and issued to all officers, staff and consultants.

_____ recognizes that the use of cell phones and other devices while driving may increase productivity; however, a driver's first responsibility is the safe operation of the vehicle and that best practice is to use electronic devices including cell phones while driving only when absolutely necessary.

Therefore it is the policy of _____ that when operating a vehicle its officers, employees, and consultants shall:

Recognize that a driver's first responsibility is the safe operation of the vehicle and limit cell phone, PDA, laptop or pager use while driving. When the use of a cell phone is required, individuals must pull to the side of the road and stop the vehicle. In those rare instances when it is not possible or unsafe to stop the vehicle, calls should be made or received only when a "hands free" device is used and only until such time as it is possible or safe to stop the vehicle. Individuals are encouraged to use voice mail when operating a vehicle, retrieving messages when it is possible and safe to stop the vehicle.

Familiarize themselves with any applicable state or local law governing cell phone use while driving;

Place the phone within easy reach and know and understand its features, including speed dial and redial.

Refrain from engaging in stressful or emotional conversations while driving; and,

Avoid or discontinue use in adverse weather or traffic conditions.

_____ acknowledges that states have laws that prohibit distracted driving and that no one has a right to put others at risk. _____ further recognizes that electronic devices such as cell phones provide extraordinary benefits to public safety and productivity. When on the road, drivers shall concentrate on safe and defensive driving and not on making or receiving phone calls, delivery of faxes, using computers, navigation systems, or other distracting influences. When a driver decides that it is safe to use such a device while driving, it should be with the understanding that negligent drivers will be held accountable when distracted driving results in the injury, death or damage to the property of others.

Craig L. Palmquist
President

_____.

Acknowledgment of Policy:

I have read and understand the policy on the Use of Cellular Phone Personal Data Assistant (PDA), Laptop or Pager while operating a vehicle in the performance of business.

Signature

Date

Title