

**YOUR EYE ON THE WORLD**



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INVESTIGATIVE SOLUTIONS GROUP, UNLIMITED

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**AN INVESTIGATIVE FIRM**

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**KNOWLEDGE EQUALS POWER**

# AYZ, Inc

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## Employee Handbook

# ABC, Inc.

## EMPLOYEE HANDBOOK

Dear Employee,

Welcome to ABC!

We are excited to have you as part of our progressive team. You were hired because we believe you can contribute to the achievement of our goals and to the bottom line of success, and share our commitment to our mission statement. ABC is committed to distinctive quality and unparalleled customer service in all aspects of our business. As part of the team, you will discover that the pursuit of excellence is truly a rewarding aspect of your career with ABC. As a team member, you must "own" the results of your productivity.

This employee handbook contains the key policies, goals, benefits, and expectations of ABC; and other information you will need as part of our team.

Our mission statement:

*At ABC, we pledge to provide distinctive quality and unparalleled customer service as we strive to gain the respect and trust of our customers, suppliers and partner vendors.*

The success of ABC is determined by our success in operating as a unified team. We have to earn the trust and respect of our customers every day in order that the customer makes the decision to choose our services. We sell service and people provide service. There are no magic formulas.

Creative, productive employees who are empowered to make suggestions while thinking "outside the box" guarantee our success. Your job, every job, is essential to fulfilling our mission to "provide distinctive quality and unparalleled customer service" everyday to more people who "trust and respect" us. The primary goal at ABC, and yours, is to live our mission statement and continue to be an industry leader. We achieve this through dedicated hard work and commitment from every employee. It is the desire of ABC's management, from top to bottom, to have every employee succeed in his or her job, and assist in achieving our goals.

You should use this handbook as a ready reference as you pursue your career with ABC. Additionally, the handbook should assure good management and fair

treatment of all employees. At ABC, we strive to recognize the contributions of all employees.

Welcome aboard. We look forward to your contribution.

Sincerely,

ABC, Inc.  
EMPLOYEE HANDBOOK

This employee handbook has been prepared for your information and understanding of the policies, philosophies and practices and benefits of ABC. PLEASE READ IT CAREFULLY. Upon completion of your review of this handbook, please sign the statement below, and return to your personnel representative by the due date. A reproduction of this acknowledgment appears at the back of this booklet for your records.

I, \_\_\_\_\_, have received and read a copy of the ABC Company (The Company) Employee Handbook, which outlines the goals, policies, benefits and expectations of The Company, as well as my responsibilities as an employee.

I have familiarized myself, at least generally, with the contents of this handbook. By my signature below, I acknowledge, understand, accept and agree to comply with the information contained in Employee Handbook provided to me by The Company. I understand this handbook is not intended to cover every situation which may arise during my employment, but is simply a general guide to the goals, policies, practices, benefits and expectations of The Company.

I understand that The Company Employee Handbook is not a contract of employment and should not be deemed as such, and that I am an employee at will.

\_\_\_\_\_  
(Employee signature)

Please return by: \_\_\_\_\_

(put date here)

ABC, Inc.  
EMPLOYEE HANDBOOK  
Equal Opportunity

ABC, Inc. is an Equal Opportunity Employer. This means that we will extend equal opportunity to all individuals without regard for race, religion, color, sex, national origin, age, disability, and handicaps or veterans status. This policy affirms ABC's commitment to the principles of fair employment and the elimination of all vestiges of discriminatory practices that might exist. We encourage all employees to take advantage of opportunities for promotion as they occur.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Personnel Records

It is important that the personnel records of ABC be accurate at all times. In order to avoid issues or compromising your benefit eligibility or having W2's returned, ABC expects that employees will promptly notify appropriate personnel representative of any change in name, home address, telephone number, marital status, number of dependents, or any other pertinent information which may change.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Attendance

Employees are expected to arrive at work before they are scheduled to start and be at their workstation productively engaged in ABC business by the scheduled start time. All time off must be requested in advance and submitted in writing, as outlined in the appropriate categories; except sick leave. See Sick Leave and other categories for specific details.

ABC views attendance as one of the most important facets of your job performance review. All unapproved absences will be noted in the employee's personnel file. Excessive absences, including for Sick Leave, will result in disciplinary action, up to and including termination.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Equipment

ABC will provide you with the necessary equipment to do your job. None of this equipment should be used for personal use, nor removed from the physical confines of ABC - unless it is approved and your job specifically requires use of company equipment outside the physical facility of ABC.

Computer equipment, including laptops, may not be used for personal use - this includes word processing and computing functions. It is forbidden to install any other programs to a company computer without the written permission of the department head. These forbidden programs include, but are not limited to, games, online services, screen savers, etc. The copying of programs installed on the company computers is not allowed unless you are specifically directed to do so in writing by your supervisor.

The telephone lines at ABC must remain open for business calls and to service our customers. Employees are requested to discourage any personal calls - incoming and outgoing - with the exception of emergency calls. No long distance calls are to be made on company phones which are not strictly business related.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Confidentiality

ABC requires all employees to sign a confidentiality agreement as a condition of employment, due to the possibility of being privy to information, which is confidential and/or intended for the company use only. All employees are required to maintain such information in strict confidence. This policy benefits you, as an employee, by protecting the interests of The Company in the safeguard of confidential, unique and valuable information from competitors or others.

Should an occasion arise in which you are unsure of your obligations under this policy, it is your responsibility to consult with your reporting manager. Failure to comply with this policy could result in disciplinary action, up to and including termination.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Dress Code

As an employee of ABC, we expect you to present a clean and professional appearance when you represent us, whether that is in, or outside of, the office. Management, sales personnel and those employees who come in contact with our public, are expected to dress in accepted corporate tradition. A specific list of suggested do's and definite don'ts, including a specific definition of business casual, is available from your personnel representative and will be posted in each work area.

It is just as essential that you act in a professional manner and extend the highest courtesy to co-workers, visitors, customers, vendors and clients. A cheerful and positive attitude is essential to our commitment to extraordinary customer service and impeccable quality.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Safety and Accident Rules

Safety is a joint venture at ABC. ABC provides a clean, hazard free, healthy, safe environment in which to work in accordance with the Occupational Safety and Health Act of 1970. As an employee, you are expected to take an active part in maintaining this environment. You should observe all posted safety rules, adhere to all safety instructions provided by your supervisor and use safety equipment where required. Your work place should be kept neat, clean and orderly.

It is your responsibility to learn the location of all safety and emergency equipment, as well as the appropriate safety contact phone numbers. A copy of the Emergency Procedures will be kept in each work area on top of the supervisor's desk.

All safety equipment will be provided by ABC, and employees will be responsible for the reasonable upkeep of this equipment. Any problems with or defects in, equipment should be reported immediately to management.

As an employee, you have a duty to comply with the safety rules of ABC, assist in maintaining the hazard free environment, to report any accidents or injuries - including any breaches of safety - and to report any unsafe equipment, working condition, process or procedure, at once to a supervisor.

Employees may report safety violations or injuries anonymously to the Safety Committee, if they are not the injured or violating party. **NO EMPLOYEE WILL BE PUNISHED OR REPRIMANDED FOR REPORTING SAFETY VIOLATIONS OR HAZARDS.** However, any deliberate or ongoing safety violation, or creation of hazard, by an employee will be dealt with through disciplinary action by ABC, up to and including termination.

Worker's Compensation Insurance pursuant to the laws of the various states in which we operate covers all work related accidents.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Anti-Substance Abuse**

ABC takes seriously the problem of drug and alcohol abuse, and is committed to provide a substance abuse free work place for its employees. This policy applies to all employees of ABC, without exception, including part-time and temporary employees.

No employee is allowed to consume, possess, sell or purchase any alcoholic beverage on any property owned by or leased on behalf of ABC, or in any vehicle owned or leased on behalf of ABC. No employee may use, possess, sell, transfer or purchase any drug or other controlled substance, which may alter an individual's mental or physical capacity. The exceptions are aspirin or ibuprofen based products and legal drugs, which have been prescribed to that employee, which are being used in the manner prescribed.

ABC will not tolerate employees who report for duty while impaired by use of alcoholic beverages or drugs.

All employees should report evidence of alcohol or drug abuse to a supervisor or a personnel representative immediately. In cases where the use of alcohol or drugs pose an imminent threat to the safety of persons or property, an employee must report the violation. Failure to do so could result in disciplinary action for the non-reporting employee.

Employees who violate the Anti-Substance Abuse Policy will be subject to disciplinary action, including termination. It is our policy at ABC to assist employees and family members who suffer from drug or alcohol abuse. You may be eligible for a medical leave of absence, and we encourage any employee with a problem to contact your personnel representative for details.

As a part of our policy to ensure a substance abuse free workplace, ABC employees may be asked to submit to a medical examination and/or clinically tested for the presence of alcohol and/or drugs. Within the limits of federal and state laws, we reserve the right, at our discretion, to examine and test for drugs and alcohol. Some such situations may include, but not be limited, to the following:

All employees who are offered employment with ABC;

Where there are reasonable grounds for believing an employee is under the influence of alcohol or drugs;

As part of an investigation of any accident in the workplace in which there are reasonable grounds to suspect alcohol and/or drugs contributed to the accident;

On a random basis, where allowed by statute;

As a follow-up to a rehabilitation program, where allowed by statute;

As necessary for the safety of employees, customers, clients or the public at large, where allowed by statute; and

When an employee returns to duty after an absence other than from accrued time off such as vacation or sick leave.

This is only a summary of ABC's Anti-Substance Abuse Policy. You have been provided, and are required to read, the full policy. The full policy goes into greater detail and includes such subjects as definitions, testing methods, consequences of testing refusal, confidentiality, rights of employees and The Company, appeal procedures, notice of applicable statutes, voluntary assistance, etc. It is your responsibility to obtain a copy from your personnel representative if one has not been provided to you. You will be required to sign a consent form agreeing to ABC's Anti-Substance Abuse Policy in full.

It is a condition of your continued employment with ABC that you comply with the Anti-Substance Abuse Policy. NOTHING IN THE ANTI-SUBSTANCE ABUSE POLICY SHALL BE CONSTRUED TO ALTER OR AMEND THE AT-WILL EMPLOYMENT RELATIONSHIP BETWEEN ABC AND ITS EMPLOYEES.

ABC, Inc.

## EMPLOYEE HANDBOOK

### Sexual harassment

ABC will not, under any circumstances, condone or tolerate conduct which may constitute sexual harassment on the part of its management, supervisors or non-management personnel. It is our policy that all employees have the right to work in an environment free from any type of illegal discrimination, including sexual harassment. Any employee found to have engaged in such conduct will be subject to immediate discipline up to and including discharge.

Any employee found to be engaged in the conduct of sexual harassment will be subject to immediate discipline up to and including discharge.

Sexual harassment is defined as:

Making submission to unwelcome sexual advances or requests for sexual favors a term or condition of employment;

Basing an employment decision on submission or rejection by an employee of unwelcome sexual advances, requests for sexual favors or verbal or physical contact of a sexual nature;

Creating an intimidating, hostile or offensive working environment or atmosphere either by

a) Verbal actions, including calling employees by terms of endearment; using vulgar, kidding or demeaning language; or

b) Physical conduct, which interferes with an employee's work performance.

We, at ABC, do encourage healthy fraternization among its employees; however, employees, especially management and supervisory employees, must be sensitive to acts of conduct, which may be considered offensive by fellow employees and must refrain from engaging in such conduct.

It is, also, expressly prohibited for an employee to retaliate against employees who bring sexual harassment charges or assist in investigating charges. Retaliation is a violation of this policy and may result in discipline, up to and including termination. No employee will be discriminated against, or discharged,

because of bringing or assisting in the investigation of a complaint of sexual harassment.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Smoking

ABC endeavors to provide a healthy environment, therefore prohibits any form of tobacco consumed in company buildings. Additionally, no smoking is allowed within ten (10) feet of exterior entranceways.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Job Objectives, Performance Reviews, Salary Reviews

Within one week of employment, job change or promotion, every employee will be given job objectives which detail the requirements and expectations of the position for which the employee was hired. ABC will measure your job performance against these objectives. After every evaluation, job objectives will be redated and reviewed, if no changes are made; or rewritten as appropriate. In either case, the reporting supervisor review and discuss the objectives with the employee and the employee will sign a statement indicating agreement with, and understanding of, these objectives.

Performance reviews are normally conducted every six (6) months from the date of hire, with the exception of a three-month review at the end of your probationary period. All performance reviews are based on merit, achievement, job description fulfillment and performance at your position. Wage increases will be based upon this review, as well as past performance improvement; dependability; attitude; cooperation; any necessary disciplinary action; adherence to all employment policies; and your position in your salary range. Your reporting supervisor will review and discuss your salary range and your position within that range during your performance reviews. When you are promoted to a higher-level position, you are automatically eligible for an increase as dictated by the salary range of that position.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Employment Categories

Permanent Full-Time is an employee who has no termination date and who is regularly scheduled to work 37.75 to 40 hours per week.

Permanent Part-Time is an employee whose position has no termination date and who is scheduled to work 20 or more hours, but less than 37.75 hours per week.

Temporary Full-Time is an employee who is hired or promoted for certain length of time and who is scheduled to work 37.75 hours per week.

Temporary Part-Time is an employee who is hired or promoted for a certain length of time and who is scheduled to work 20 hour or more, but less than 37.75 hours per week.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Payroll

ABC employees are paid bi-weekly. Our payroll process includes:

**Direct Deposit**

While an employee can certainly have his/her actual pay check delivered direct to their desk each pay period, ABC provides, and encourages, direct deposit of paychecks. This is a service which saves you time and provides added security. With this option, each paycheck will be automatically deposited to your checking or savings account (or divided between the two) as your direct. Each payday, you still receive a pay stub for your records -- much like a voided check with all the same information which would appear on your regular check -- except the face of the check is voided. No trips to the bank are necessary because your salary appears in your bank account on payday, or in some cases the night before. Direct Deposit will be initiated one pay period following the receipt of the signed authorization form from the employee.

**Payroll Deductions**

As required by law, ABC will deduct Federal Social Security and Income Tax from your payroll check each pay period. Group Insurance premiums for eligible employee and dependent family members will be deducted from payroll check each pay period, once the employee completes the appropriate authorization forms.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Work hours and reporting

Workday

The normal workday is eight (8) hours for non-exempt, with 40 hours being a normal work week. Exempt employees generally work the same hours, but may be required to work more hours as the work dictates. While you are generally expected to work the number of hours stated above, ABC does not guarantee that you will actually work that many hours in any given day or week (or to be paid for such hours if you do not work that many hours).

Overtime work is only performed when necessary and approved in advance by your department head. You are expected to work necessary overtime when requested to do so, and non-exempt employees will receive time and one-half pay for time worked exceeding 40 hours in any given work week. Full time employees will be paid double time for hours worked on a company holiday, if they are not scheduled to work on that holiday. Part-time employees will be paid one and one-half times the regular rate of pay for working on a company holiday. Exempt employees are not entitled to overtime pay. All overtime payments will be made in the pay period following the period the overtime was worked.

Time Clock and Time Cards

Where applicable, ABC employees must punch in before beginning their work shift and punch out at the end of their shift. All such employees are expected to work their entire shift. Any such employee punching five (5) minutes late will be docked fifteen (15) minutes of pay, or punches out later than the time their scheduled shift ends, without prior authorization, will be paid for the scheduled time only. Any digression from the above requirements could result in a reprimand to the employee.

You are not allowed to punch the time clock of another employee. Should your time card be incorrectly punched, for any reason, your supervisor will note the correct start and/or end time, and initial the correction. Your supervisor must approve all time cards.

For employees required to complete time cards, the cards must be filled out with all hours worked and turned into your supervisor every other Friday as designated by ABC, by 9:30 A.M. Vacations days, sick days, holidays, and absences such as jury duty, funeral leave or military training, must be specifically noted on the time cards for days on which they occur. Vacation and holidays should be counted as full workdays. All time cards must be approved and signed by your supervisor prior to being sent to personnel.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Holidays

ABC RECOGNIZES THE FOLLOWING HOLIDAYS: NEW YEARS DAY, GOOD FRIDAY, MEMORIAL DAY, INDEPENDENCE DAY, LABOR DAY, THANKSGIVING, CHRISTMAS AND TWO FLOATING HOLIDAYS.

When a holiday falls on a weekend, ABC will designate the Friday preceding or Monday following as the observed holiday at the discretion of The Company. Regular full-time employees are paid eight (8) hours for each holiday; regular part-time employees are paid for holidays based upon the number of hours they are normally scheduled. Temporary employees are not paid for holidays, unless they are specifically requested to work on the designated holiday (see Overtime). The two (2) floating holidays are available to all full-time employees beginning the first of January following the employees first anniversary. Once eligible, the floating holiday is available annually. Floating holidays must be scheduled with, and approved, by your supervisor at least three (3) weeks in advance of the requested date, and may not be taken consecutively. Floating holidays may not be carried forward to be used in the following year.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Vacation

After December 31st, ABC full-time employees are entitled to one paid day of vacation for each month or partial month of service during the previous year, up to a maximum of 10 working days during the first five (5) years. Part-time employees will receive prorated paid vacation hours based on the regular number of hours worked against an eight (8) hour workday.

Example: If you started work on June 16, 1997, you are entitled to seven (7) vacation days in 1998. Each calendar year succeeding the first year of service, ABC employees receive ten (10) vacation days per year, earned on a monthly basis. In January following the fifth (5th) year of service, employees receive fifteen (15) vacation days, credited monthly, based on a twelve month calendar. In January, following the tenth (10th) year of service, each employee receives twenty (20) vacation days.

Example: The same employee who started on June 16, 1997, is entitled to ten (10) days in 1999 and twenty (20) days in 2008.

Vacation is earned and credited on January 1st of each year, is available for use after March 31st for vacation credited for the current year; and available immediately for vacation carried over from the previous year. Only up to five (5) days of vacation may be carried over into the next year.

A vacation schedule of all employees is to be completed for each department or location, by January 31st of each year; Changes may be made to the schedule with three weeks notice and the approval of the supervisor of the department.

The vacation request change must be submitted in writing to the supervisor three weeks prior to the anticipated vacation date.

Every effort will be made by ABC to accommodate vacation requests, unless business circumstances do not permit. Vacation may be taken in full or half days only.

Employees who resign in good standing and give proper notice of termination, are entitled to receive payment for accrued vacation, not yet taken. If the employee has taken more vacation than actually accrued at the time of resignation, the unearned vacation will be deducted from the employee's final paycheck. Employees who terminate with less than 6 months service are not eligible to be paid for accrued vacation.

## ABC, Inc.

# EMPLOYEE HANDBOOK

## Sick Leave

ABC provides payment of income (sick leave) for eligible employees when that employee is away from work due to illness. Employees will be eligible for sick leave after completion of 90 calendar days of service, and if the work at least thirty (30) hours per week. Sick leave is payable the same as the employee's regular salary, and is subject to the same withholding elections.

Sick leave will be accrued at the rate of a half (1/2) day for each month of service for eligible employees. The balance of unused, but accrued, sick leave days will be carried forward from one year to the next, up to a maximum of 30 days. All sick leave used by employees will be charged against the employee's total sick leave balance. Employees eligible for retirement from ABC will be paid for all accrued, but unused, sick leave if the total is greater than 25 days.

Any employee that is out on sick leave longer than two days, must return to work with a doctor's certificate stating the nature of the illness and the employee's fitness to return to duty.

If an employee is unable to work due to illness, the employee must notify his immediate supervisor as soon as possible after the onset of the illness, and certainly by the time the employee was to report to work. It is not permissible to be gainfully employed elsewhere while out on sick leave. Any employee doing so will be considered to have voluntarily quit without notice and to not be in good standing at the time of resignation.

Sick leave may be taken in hourly increments for non-exempt employees, while exempt employees will be charged for sick leave for full day absences only, as exempt employees are not paid for overtime.

ABC permits use of available sick leave for use during absence due to the birth or adoption of a child to an employee. The sick leave will be in addition to other available time (see Maternity section).

Industrial accidents and illness are covered by Worker's Compensation Insurance pursuant to the requirements of the laws in the various states in which ABC operates. The sick leave policy outlined above does not apply to those

illnesses or injuries that are covered by an applicable worker's compensation policy.

ABC, Inc.  
**EMPLOYEE HANDBOOK**  
**Family Medical Leave Act**

ABC has a Family and Medical Leave Policy that is in compliance with The Family and Medical Leave Act of 1993 (FMLA), which is unpaid leave absence. Eligible employees must be employed by ABC at least twelve (12) months (but this period need not be consecutive) and have worked at least 1250 hours of service during the twelve month period prior to the request. ABC locations with less than 50 employees within a seventy-five mile radius are not covered under this leave policy or the FMLA. Forms for leave requests are available from your personnel representative.

Under the Leave Policy a total of up to twelve (12) weeks unpaid leave of absence is available to eligible employees under the following circumstances:

The birth of a child, but only within the first twelve months of the birth. This may not be used in conjunction with the Maternity Leave policy or the Sick Leave exception policy regarding maternity.

The placement of a child for adoption or other legal placement, within the first twelve months of the adoption or placement.

The need to care for a dependent, spouse or parent who has a serious medical condition.

The serious health condition of the requesting employee, which renders the employee unable to perform the functions of his/her position.

During the unpaid leave, employees retain the same medical and dental coverage and must still contribute the same amount toward medical benefits as he/she paid before the leave began. (See benefits exception below) Upon return to ABC at the end of the leave, the employee will be restored to his/her former position with the same rights, benefits, pay and other terms and conditions which existed prior to the leave; or to an equivalent position with equivalent rights, benefits, pay and other terms and conditions of employment.

The Company reserves the right to deny leave reinstatement to key employees, where such denial is necessary to prevent substantial and grievous economic injury the company's operations. Key employees will be notified of the company's intention to deny reinstatement as soon as a determination is made that such injury would occur. In the event such employee decides not to return to work from unpaid leave, he/she will remain on leave for the balance of the leave period and then be terminated. Key employees are defined as the highest- paid ten percent of employees employed by the company within seventy-five mile radius of the facility where the employee is employed.

Employees will be required to use all accrued vacation and floating holidays prior to being granted unpaid leave as outlined above for the birth or placement of a child, or to care for a seriously ill family member. The birth parent may choose to

use the unpaid twelve-week leave or to utilize the 6 week paid maternity leave, but cannot use both. If the employee requests the leave due to his/her own serious health condition, the employee may also be eligible for sick leave pay or short term disability payments if the condition of the leave meets the qualifications of those plans.

Employees requesting leave for their own or an eligible family member's serious health condition, will be required to provide medical certification. Medical certification must be provided thirty (30) days in advance of the request for leave when possible.

ABC may, at its discretion, require a second medical opinion on the health condition and periodic recertifications at The Company's expense.

Other exceptions/provisions:

When both spouses work for ABC, their aggregate leave in any twelve-month period may be limited to twelve weeks total, if the leave is taken for the birth or adoption of a child.

Intermittent or reduced leave may be taken in case of a serious health condition, either an employee's own or that of a child, spouse or parent, when medically necessary. The birth or placement of a child does not qualify for intermittent or reduced leave.

Employees out on unpaid leave will be required to contact their supervisors, at least every four (4) weeks, to report on their status and intention to return to work at the end of their leave.

Benefits based on an accrual basis (e.g. vacation, sick leave, floating holidays, etc.) will not accrue during unpaid leave under this policy.

While on unpaid leave, an employee will not accrue seniority or service time for eligibility for a performance review, salary review, salary review, adjustment or bonus.

Employment benefits which are accrued prior to the unpaid leave will not be lost. As previously stated, group health insurance will continue on the same basis as prior to the leave, as long as the employee continues to pay his/her contribution as required before the unpaid leave.

An employee on leave for his/her own serious health condition, will be required to provide certification from his/her health care provider that the employee is able to return to work and perform all of the functions of the job to which the employee is returning.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Maternity Leave**

ABC employees are allowed up to six (6) weeks of leave after they have given birth to or following the adoption of a child. During this time, such employees will be paid at 70% of their regular salary. Additional time may be allowed under

extraordinary circumstances (see Sick Leave) and with the permission of your supervisor and department head.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Funeral Leave

ABC allows three (3) days off, with pay, for a death in your immediate family. Immediate family includes parents, spouse, children, brothers, sisters, mother-in-law, father-in-law, grandparents, or grandchildren.

You may request up to an additional two (2) days, which must be approved by your immediate supervisor and the department head. If accrued vacation is available, this benefit will be used for the additional two days; otherwise, the additional two days will be unpaid.

Funeral leave for death of other than immediate family must be approved by your immediate supervisory and the department head. Absence for such a death is limited to two (2) days and will be unpaid.

ABC, Inc.  
EMPLOYEE HANDBOOK  
Jury Duty

We, at ABC, support employees called to fulfill their civic duty to serve jury duty when called. You must provide your immediate supervisor with a copy of your jury summons as immediately, as possible, upon receiving the summons. Your regular salary will continue as before jury duty for each day served, up to 40 hours per week, for a maximum of four (4) weeks.

Adequate proof of service must be provided in order to receive your regular salary during your absence for jury duty. When you return to work, you should provide your immediate supervisor with verification from the court of the number of days you served on the jury, and the amount that you were paid per day.

If the amount you are compensated by the court, per day, exceeds twenty (\$20) dollars per day, your regular pay will be offset by the excess amount. Extenuating circumstances, which would cause this deduction to become a penalty, must be discussed with and approved by your immediate supervisor. If you are released from jury duty with at least four (4) hours remaining in your work day, you should return to work for the remainder of the day.

Should extraordinary circumstances exist, at the time of your call to jury duty, which would make your absence severely detrimental to the operation of our company, we reserve the right to contact the court to request that your service be postponed.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Military Service**

ABC proudly grants time off work for employees in the military reserve training program.

After six (6) consecutive months of employment with ABC, an employee will receive one week's base regular pay for the two week period he/she is away serving reserve duty. You may elect to utilize accrued vacation for the second week you are away at training, if desired. If he/she is employed less than six (6) months, leave will be granted without pay for the time away for reserve duty.

All employees in the military reserve training program should provide a copy of their report orders to their immediate supervisor as immediately as possible.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Insurance**

ABC (The Company) makes health insurance, life insurance and accidental death coverage (group benefits) available to eligible employees (see definitions) and their eligible family members. The Company pays the majority of the premiums for the group benefits, with the employee sharing the balance of the cost. Single and family plans are set at different contribution rates. Long term disability benefits are also offered at no cost to employees.

The low cost of these benefits is an important part of each eligible employee's compensation package. Eligible employees may also purchase optional life insurance for spouses and dependents.

Eligible employees are all full-time employees who have completed ninety (90) calendar days of employment; and part-time employees who work at least twenty-five (25) regular hours a week and have completed ninety (90) calendar days of employment.

Specific details on coverage and benefits are outlined in ABC's Health Benefit Handbook. It is provided to you during employee orientation. You will also receive authorization forms for all benefits at orientation. Please see your personnel representative if you have not been scheduled for orientation or have not received the Benefit Handbook.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Short-term Disability**

Short term disability (STD) benefits provide income continuation during periods of serious illness resulting in total disability. You are "totally disabled" if you are unable to perform your job due to major illness or accidental bodily injury. ABC

employees bear no cost for this plan benefit which provides up to 180 days of short term disability benefits within a twelve-month period.

The employee's total disability period must exceed ten (10) consecutive working days to qualify for STD benefits; and all Sick Leave benefits must be exhausted before an employee can request STD benefits. Once the initial ten (10) day waiting period is met, STD benefits will be retroactive to the first unpaid day of absence (if sick leave benefits are exhausted).

Regular full-time and regular part-time employees of ABC are eligible for this benefit once they have completed ninety (90) calendar days of service and work at least thirty (30) days per week on a regular basis.

Under STD benefits, eligible employees are paid 80% of their normal base salary. This means the employee will be paid based upon your regular rate of pay excluding overtime, bonus, vacation, and any other accrued paid leave or additional compensation. STD benefits may not exceed 80% of your base salary, unless augmented by available accrued vacation. If additional payments from worker's compensation or state disability, while you are on STD benefits, increase your overall benefits to exceed 80%, your STD benefits will be reduced accordingly.

Group health benefits will continue on the same basis as prior to the onset of STD benefits. STD benefits will be subject to all payroll withholding elections of the employee which were in effect prior to the short term disability.

It is important that an employee provide their supervisor with the treating doctor's statement as soon as you know an illness or injury will result in an absence greater than ten (10) days. The doctor's statement must identify the nature of your disability and the date you are expected to be able to return to work. ABC may require a second medical opinion, at its own expense, and periodic recertification s. If there are discrepancies in the first and second opinions, we may require a third doctor to render a medical opinion. This third doctor will be selected jointly by ABC and the employee, and the third opinion will be binding both on us and the employee.

Upon returning to work, you must provide a release, or return to work form, from the doctor treating your illness or injury.

ABC, Inc.

## EMPLOYEE HANDBOOK

### Short-term Disability

Short term disability (STD) benefits provide income continuation during periods of serious illness resulting in total disability. You are "totally disabled" if you are unable to perform your job due to major illness or accidental bodily injury. ABC employees bear no cost for this plan benefit which provides up to 180 days of short term disability benefits within a twelve-month period.

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**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Continuation of Medical/COBRA**

Upon termination from ABC for any reason other than gross misconduct, an employee may elect to continue group medical coverage at group rates as long as the employee pays the required monthly premium. It is also possible to convert other group plans to individual plans. Details on the conversion of any benefits will be discussed with you at the time of your termination by a personnel representative. You may, of course, request information on this subject at any time prior to actual termination.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Worker's Compensation**

Employees who are injured on the job at ABC are covered by Worker's Compensation Insurance. It is your responsibility to immediately notify your

immediate supervisor - or in the absence of your supervisor, the next available supervisor - of any injuries you sustain while on the job at ABC.

This supervisor will notify your personnel representative. We encourage injured employees to seek immediate medical attention. All medical expenses related to the treatment of an injury, sustained on the job, are paid in full direct to the medical providers. After a specified waiting period, you are also eligible for disability payments set forth by state law, where necessary.

The Worker's Compensation plan is administered by a separate insurance company who will be notified by your personnel representative. You will be contacted by a representative of the administering company. Information on the current company administering this plan will be provided to you by your personnel representative and is available on posters displayed in your work area. Additional information on Worker's Compensation Insurance is available through the Personnel office.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Retirement Plans**

ABC employees have the opportunity to participate in a retirement plan which allows employees to save a portion of their compensation for retirement. After one year of service, employees are eligible to participate in the plan. Contributions to this plan are pre-tax dollars, which means the amount specified by the employee is taken from his/her salary before federal income is taken out. The employee is then taxed on the remaining salary, resulting in additional savings. It should be noted that any distribution from the 401(k) plan will be subject to tax, whether that be early or qualified distribution. Early distribution may also carry a monetary penalty. See your personnel representative for more details and a copy of the ABC Employee Savings Plan.

Contributions by the company are based on the amount contributed by the employee, with ABC matching 30% of the employee's contribution. As with employee contributions, taxes on company contributions and their related earnings, are deferred until distribution from the plan. Company contributions are not fully vested to the employee until after a five year period; employee contributions are fully vested from the time of contribution.

Employees are urged to seek advice from a financial expert prior to any distribution from the 401(k) plan. ABC also contributes to the 401(k) for employees participating in this plan.

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**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Tuition Assistance**

It is our belief that education leads to self improvement which improves the value of the employee to ABC. In that vein, we encourage higher education to prepare employees for greater responsibility within The Company. ABC will pay for courses that are directly related to your present job or which will help you prepare for more responsibilities or promotions. Your supervisor and your personnel representative, who can provide more specific information on courses covered by this plan, must approve all courses. Only employees working thirty (30) regular hours or more per week are eligible.

The plan reimburses expenses for any approved course started after your full-time employment with ABC begins, but reimbursement of expenses will not begin until you have completed six (6) months of full-time employment. Courses and seminars, and related fees, books and materials, directly related to the general and customer service industry are reimbursed to eligible employees at 100%. Tuition for courses taken to complete an approved business degree is also reimbursed at 100%, except that related fees, and costs of books and materials are not covered.

To qualify for reimbursement, the employee must successfully complete the course or seminar with a grade of "C" or better; or where applicable, obtain a completion certificate.

The maximum reimbursement amounts are \$3,000 per year for courses in a degreed program, and \$1,500 per year for all other courses or seminars.

Contact your personnel representative for proper request forms. These forms must be completed and reviewed by your supervisor, and the Personnel Director, at least 10 business days prior to your enrollment in any course or seminar.

**ABC, Inc.**  
**EMPLOYEE HANDBOOK**  
**Employee Assistance Program**

We encourage our employees to seek assistance, as needed, from qualified professionals. When personal problems and difficulties are identified and appropriately treated in their early stages, the likelihood of a successful outcome is improved. Our Employee Assistance Program (EAP) helps employees deal with problems in a confidential and safe environment.

Should you require assistance with any problem, which is impacting your personal and/or professional life, we encourage you to call.

The confidential number is 1-800-555-5555.

These calls are not monitored and are manned by a privately owned counseling referral service. We, at ABC, will never be aware of your contact to this service, nor will any reports on your contact or treatment be forwarded to us.

All contact and sessions are strictly confidential. Should visits exceed four (4) times per month consecutively in a three (3) month period, the counselor may refer you to a private therapist or counselor, which would be covered under your group benefits.

We cannot stress enough, that if you feel the need for counseling, we strongly encourage that you seek assistance