



**POLICIES &
PROCEDURES
MANUAL**

Table of Contents

Table of Contents ii

1.0 Introduction 1

2.0 Relations..... 1

 2.1 Employee Relations 1

 2.2 Client Relations..... 1

3.0 Confidentiality..... 2

 3.1 Clients and HGI 2

 3.2 Personnel..... 2

4.0 Professional Ethics 3

5.0 Operations..... 3

 5.1 Building Security 3

 5.2 Phone Calls 3

 5.3 Voicemail and Email Auto-Replies..... 3

 5.4 Product and Reference Materials..... 4

 5.5 Office Supplies 4

 5.6 Company-Owned Property..... 4

 5.7 Employee-Owned Property 4

6.0 Employment Categories 4

 6.1 Exempt Employees 4

 6.2 Non-Exempt Employees 5

 6.3 Intern 5

 6.4 Temporary 5

 6.5 Independent Contractors 5

 6.6 Employee Referrals..... 5

 6.7 Equal Opportunity 6

 6.8 Americans with Disabilities Act 6

 6.9 Immigration Reform and Control Act..... 7

7.0 Time at HGI 7

 7.1 Background Checks & Pre-Employment Drug Screening 7

 7.2 Offer Letter..... 8

 7.3 Introductory Period 8

 7.4 Orientation and Training 8

 7.5 Medical Procedures..... 8

 7.6 Personnel Records..... 9

 7.7 Employment-At-Will..... 9

 7.8 Secondary Employment..... 9

 7.9 Voluntary Termination 10

 7.10 Involuntary Termination..... 11

 7.11 Termination Date..... 11

 7.12 Inactive Status 11

 7.13 Exit Interview..... 11

 7.14 Benefits Upon Termination 12

 7.15 References / Letter of Recommendation 12

 7.16 Re-Employment..... 12

8.0 Work Schedule 13

 8.1 Work Hours..... 13



8.2 Working Remotely 13

 8.2.1 Maintaining Performance 13

 8.2.2 Compliance with Policies..... 13

 8.2.2.1 Equipment and Expenses for Permanent Remote Worker..... 13

9.0 Timesheets 14

 9.1 Non-Exempt (Hourly) Employees 15

 9.2 Exempt (Salaried) Employees 15

10.0 Work Schedule Reliability..... 15

 10.1 Inclement Weather..... 15

 10.1.1 In Office 15

 10.1.2 Work from Home 16

11.0 Salary & Overtime Pay Procedures..... 16

 11.1 Pay and Pay Periods..... 16

 11.2 Automatic Deposit..... 16

 11.3 Overtime..... 16

 11.3.1 Exempt Employees 16

 11.3.2 Non-Exempt Employees 16

 11.4 Compensatory Time 17

 11.5 Performance and Salary Reviews 17

 11.5.1 Wage Adjustments 17

 11.5.2 Review Date 17

 11.6 Promotions 17

 11.7 Federal Insurance Contributions Act (“FICA”)..... 18

12.0 Bonuses & Benefits..... 18

 12.1 Bonus Plan 18

 12.1.1 Qualifying Employees..... 18

 12.1.2 Taxes..... 18

 12.2 Performance Bonuses..... 18

 12.3 Referral Bonuses..... 19

 12.4 401(k) Plans 19

13.0 Insurance 19

 13.1 Waiting Period 19

 13.2 Employee Contributions..... 19

 13.3 Enrollment Period..... 20

 13.4 Medical, Dental, and Vision Insurance 20

 13.5 Life Insurance 20

 13.6 Short-Term Disability (“STD”)..... 20

 13.7 Long-Term Disability (“LTD”)..... 20

 13.8 Consolidated Omnibus Budget Reconciliation Act (“COBRA”)..... 20

 13.9 Cafeteria Plan and Flexible Spending Account (“FSA”) 21

 13.10 Unemployment Insurance 21

14.0 Paid & Unpaid Time Off 21

 14.1 Paid Time Off (“PTO”)..... 21

 14.2 Unpaid Time Off 22

 14.3 Paid Holidays 22

 14.4 Absence and Punctuality 23

 14.5 Personal Business and Emergencies..... 23

 14.6 HGI Family and Medical Leave 23



14.7 Bereavement Leave 24

14.8 Formal Leave of Absence..... 24

14.9 Jury Duty and Witness Leave..... 24

14.10 Military Leave 25

14.11 Voting Leave 25

14.12 Religious Observance 25

15.0 Standards of Conduct 25

15.1 Conduct 25

15.2 Warning Period..... 26

15.3 Definition of Warning Period..... 26

15.4 Discretionary Policy 26

15.5 Types of Violations for Which Disciplinary Action May be Taken 26

15.6 Off-Duty Conduct..... 27

15.7 Conflict of Interest..... 27

15.8 Grievances 27

15.9 Dress Code..... 28

15.10 Substance Abuse 28

16.0 Safety in the Workplace 29

16.1 Personal Safety and Emergency Situations 29

16.2 Sexual Harassment 29

16.2.1 Definitions 29

16.2.2 The U.S. Equal Employment Opportunity Commission Guidelines..... 30

16.3 Other Harassment 30

17.0 Professional Development 31

17.1 Registrations..... 31

17.2 Professional and Technical Societies..... 31

17.3 Education and Training..... 31

17.3.1 Training Programs 32

17.3.2 In-Service Training..... 32

17.3.3 Academic Programs..... 32

17.4 Civic Organizations 32

18.0 Information Technology 33

18.1 Exemptions 33

18.2 Information Technology Resources..... 33

18.2.1 Use of HGI Information Technology Resources 33

18.2.2 Prohibited Use of HGI Information Technology Resources 33

18.3 Confidentiality and Ownership of Data 34

18.4 Computers 34

18.5 Other Electronic Information Devices 34

18.5.1 Requiring Approval..... 34

18.5.2 Prohibited without Prior Approval and Configuration..... 34

18.6 Software Installation 35

18.7 Software Licensing..... 35

18.8 Network Services 35

18.9 Passwords..... 35

18.10 Privacy of Electronic Communications 36

18.10.1 Incidental Discovery and Disclosure..... 36

18.10.2 Deliberate Discovery and Disclosure..... 36



18.11 Internet Services..... 37

 18.11.1 Authorized Use..... 37

 18.11.2 Unauthorized Use..... 37

18.12 Digital Signing and Encryption..... 38

18.13 Email..... 38

18.14 Electronic Discussion Groups 39

18.15 Social Media 39

 18.15.1 Guidelines..... 39

 18.15.2 Know and Follow the Rules 39

 18.15.3 Be Respectful..... 39

 18.15.4 Be Honest and Accurate..... 40

 18.15.5 Post Only Appropriate Content..... 40

 18.15.6 Using Social Media at Work 40

 18.15.7 Retaliation is Prohibited..... 40

18.16 Other Internet Services 40

 18.16.1 Virtual Private Networking (“VPN”) 41

 18.16.2 File Transfer Protocol (“FTP”)..... 41

 18.16.3 Instant Messaging (“IM”) 41

 18.16.4 Internet File Sharing Programs..... 41

 18.16.5 Internet Desktop Sharing Programs and Services..... 42

18.17 Service Level Agreement and Schedules..... 42

19.0 Business Travel & Expenses..... 43

 19.1 Business Travel 43

 19.1.1 Air Travel 43

 19.1.2 Passports 43

 19.1.3 Lodging..... 43

 19.1.4 Meals..... 43

 19.1.5 Entertainment 43

 19.2 Expense Reports & Reimbursement..... 43

 19.2.1 Allowable Expenses..... 44

 19.2.2 Personal Vehicles 44

 19.2.3 Cellular Phones..... 44

 19.2.4 Company Credit Cards..... 44



1.0 Introduction

This Policy Manual (“Manual”) is designed to provide descriptions of Harrington Group, Inc’s (“HGI” or the “Company”) policies. This Manual contains the employment policies and practices of HGI in effect at the time of publication. All previously issued manuals, and any inconsistent policy statements or memoranda, are superseded by this Manual.

We reserve the right to revise, modify, delete, or add to any and all policies, procedures, work rules, or benefits stated in this Manual or in any other document, except for the policy of at-will employment. However, any such changes must be in writing and must be signed by the CEO of the Company.

Any written changes to this Manual will be distributed to all employees so that employees will be aware of the new policies or procedures. No oral statements or representations can in any way alter the provisions of this Manual.

This Manual sets forth the agreement between you and HGI as to the duration of employment and the circumstances under which employment may be terminated. Nothing in this Manual or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

2.0 Relations

2.1 Employee Relations

HGI is committed to providing the best possible climate for maximum development and achievement for all employees. We strive to provide a comfortable and progressive workplace where communication is open, and problems can be discussed and resolved in a mutually respectful atmosphere.

2.2 Client Relations

Ways to contribute to a positive atmosphere in the Company with clients:

- Treat each client with genuine respect and honesty.
 - Recognize that clients have a need to know and that we have an obligation to respond.
- Be sensitive to a client’s needs.
 - If you suspect that a client has a question that he/she is not asking, encourage the client to ask any questions that may be puzzling him/her.
- Extend yourself.
 - If a client is looking for a particular person in the Company, point him/her in the right direction. Make sure he/she gets the assistance required to feel comfortable. An introduction to the right person may be needed.
- Learn as much as you can about the wide array of services that the Company offers.
- Remain calm and professional even if a client becomes argumentative.
 - Be positive. Remain helpful. Call for a manager’s help with sticky situations and let your side of all interactions be tactful, courteous, and professional.
- Be willing and ready to help, even if you are busy. Clients come first.

- Give your fellow staff members the same positive energy and considerations that you give the clients.
- Make every effort to correct a problem or address a client's complaint as it arises. We want our staff members to be problem-solvers.

3.0 Confidentiality

3.1 Clients and HGI

Certain matters pertaining to our clients greatly impact our client/Company relationship, their continued business, and the degree to which we are liable for our actions. As such, there should be no mention to outsiders/friends/relatives/etc. of client's names, stage of negotiations, or financial matters.

Employees who are preparing proposals or writing reports sensitive to a client's interest should confirm that all important documents are locked safely in a desk/file cabinet or saved on a locked computer whenever the employee is not present.

Extreme caution should be exercised when our employees are in the presence of competitors. This is especially true at seminars, professional society meetings, and other gatherings where there may be a tendency to share restricted information. Such subjects include, but are not limited to:

- Current workloads
- Proposals
- Schedules
- Clients
- Marketing plans
- Other areas that are sensitive to our business and could be damaging to all employees if known by our competitors

All information concerning the structure and operations of HGI is considered confidential.

3.2 Personnel

The Company maintains a personnel file on each employee through our Benefits Management System. The contents of this, and other personnel files, are strictly confidential and kept for administrative and emergency purposes only. Please help to keep these files current by updating the Benefits Management System with any change of:

- Address, phone number, or personal status
- Emergency contact change
- Educational or professional accomplishments
- Appointments of honor

Absolutely every written, phoned, or in-person request from outsiders for information concerning terminated or present employees will be directed to Human Resources. Unauthorized release of information may subject both the person who released the information and HGI to a lawsuit.

Requests for information must be preceded by verbal or written authorization from the employee being investigated to Human Resources.

The extent of information given will be whether the person is or was employed by HGI, and if so, when, and his or her title. Other questions such as home address, phone number, marital status, salary, and circumstances of termination may be verified but not offered.

4.0 Professional Ethics

HGI and its employees must not do anything that might be construed as compromising our professional integrity or relationship with clients. HGI employees should not accept personal gifts or any kind of gratuity from contractors, subcontractors, vendors, clients, competitors or any other outside person or organization if the value of the gift exceeds \$50. In instances where client entertainment is necessary, the HGI employee will pay for the lunch or dinner, tickets, etc. and will be reimbursed for the expense through our normal entertainment reimbursement procedure.

Further, employees or Principals of HGI should not have significant interest or ownership in firms, businesses, or real estate holdings outside the Company that could benefit from work on Company projects. If you plan to enter any involvements that might be considered a conflict of interest or have any questions about these matters, you should discuss them with the CEO.

Any instance where an HGI employee is approached to act contrary to his or her professional judgment and integrity shall be reported to the CEO.

5.0 Operations

5.1 Building Security

HGI employees gain access to our Duluth Office via badge or code. A key holder coming into the office during the evening or on a weekend will be responsible for ensuring that the office is safely locked, and that normal “end of day” lights and machinery are turned off upon departure.

The security of facilities as well as the welfare of our employees depends upon the alertness and sensitivity of every individual to potential security risks. You should immediately notify your manager when unknown persons are acting in a suspicious manner in or around the facilities or when keys/access badges are missing.

5.2 Phone Calls

HGI employees have a variety of acceptable ways to communicate both inside and outside of the Company. These options include:

- Microsoft Teams
- Mitel/Phone over IP
- Personal cell phone
- Company cell phone

5.3 Voicemail and Email Auto-Replies

Before PTO, or any time you will be unavailable, it is essential to update your voicemail and email auto-replies with the following information:

- Dates you will be unavailable

- Alternative contacts who can help if a matter is urgent

5.4 Product and Reference Materials

We regularly receive trade journals, newsletters, magazines, newspapers, manuals, and other reference materials. These materials are protected under U.S. copyright law (Title 17 U.S.C.) and there are legal restrictions on the use, reproduction, sale, and transfer of this material. For example, even though we may subscribe to a particular publication, we may not be permitted to make photocopies of the publication or the articles within it. Accordingly, any such materials received by either our Company or its employees should not be duplicated for distribution, we must adhere to copywrite single user standards.

Employees (in office) should not accumulate product literature at their desks, but should return it to the HGI library as soon as possible.

5.5 Office Supplies

Upon joining our team, HGI will provide a multitude of technology and tools to work from home or in office. Almost all work is digital, so the need for office supplies is low. If there are office items needed, contact your manager to confirm if the items are eligible for reimbursement.

5.6 Company-Owned Property

You are expected to use proper care when using Company property and equipment. Upon receipt of Company property, you will be asked to sign an acknowledgment form. The use of Company property or equipment for anything other than Company authorized and directed work is forbidden and may be grounds for dismissal. Any damage that occurs to Company property needs to be reported immediately to your manager.

5.7 Employee-Owned Property

Personal items are your own responsibility. Theft or damage to your personal property is not subject to HGI's property insurance.

6.0 Employment Categories

These classifications do not guarantee employment for any specified period of time. Each employee is designated as either exempt or non-exempt from federal and state wage and hour laws. An employee's exempt or non-exempt classification may be changed only upon written notification by Company management.

6.1 Exempt Employees

Exempt employees are those in executive, administrative, and professional positions who meet the criteria established by federal and state wage and hour laws and are exempt from overtime pay provisions.

6.2 Non-Exempt Employees

Non-exempt employees include all employees who are covered by the overtime provisions of the federal Fair Labor Standards Act (“FLSA”). Non-exempt employees are entitled to overtime pay for work over forty (40) hours a week.

6.3 Intern

- Hired primarily to gain experience and education in a particular field.
- Interns may be hired on a part- or full-time basis for a limited period of time.
- While they do receive all legally mandated benefits (such as Social Security and workers’ compensation insurance), they are ineligible for all other Company benefit programs.

6.4 Temporary

- 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.
- Employment beyond any initially stated period does not imply a change in employment status.
- Temporary employees retain that status until notified of a change.
- While temporary employees receive all legally mandated benefits (such as workers’ compensation insurance and Social Security), they are ineligible for all other Company benefit programs.

6.5 Independent Contractors

Consultants, freelancers, or independent contractors are not employees of HGI. The distinction between employees and independent contractors is important because employees may be entitled to participate in company benefit programs, while independent contractors are not. In addition, HGI is not required to withhold income taxes, withhold and pay social security and Medicare taxes, or pay unemployment tax on payments made to an independent contractor. These workers are generally paid through Accounts Payable rather than through Payroll.

6.6 Employee Referrals

HGI encourages employees to refer friends or acquaintances who are interested in employment opportunities. Employees should:

- Obtain permission from the individual before making a referral.
- Share their knowledge of the organization.
- Not make commitments or oral promises of employment.

To be eligible for the recruiting incentive bonus, an employee is responsible for obtaining and submitting the referral’s resume to the Recruiting Coordinator for an open position. If the referral is interviewed, the referring employee will be notified of the initial interview and the final selection decision.

HGI maintains a recruitment incentive bonus program to reward employees for taking the initiative to refer quality potential employees to the CEO or Recruiting Coordinator. Details of the program currently in place can be found on the HGI Intranet. Also see Section 12.3 of this Manual, “Referral Bonuses.”

6.7 Equal Opportunity

It is the policy of HGI to ensure equal opportunity for all employees and applicants with regard to recruitment, hiring, placement, promotion, compensation, benefits, and training. In all such activities, the company will not discriminate against any qualified person because of race, color, religion, sex, age, national origin, disability, sexual orientation, genetic information, veteran status, or any other protected status.

Equal employment opportunity (“EEO”) gives all people the right to apply and be evaluated for job opportunities on the basis of their ability to do the job. To more effectively implement this policy, the Company will take affirmative action to make known that equal employment opportunities are available on the basis of individual merit and to encourage all persons to seek employment and to strive for advancement on that basis.

We are committed to fully utilizing all our resources to uphold a policy of equal employment opportunity. We will not discriminate against any employee or applicant for employment. The list includes those that are legally recognized and is not limited to: veteran status, genetic information, race, color, religion, gender, national origin, physical or mental disability, sexual orientation, age, ancestry, childbirth or related medical conditions, illnesses arising out of and occurring during the course of pregnancy, or any other protected class under federal, state, or local law. None of the above characteristics will be used as the basis for hiring, promotions, dismissals, pay raises, benefits, work assignments, leaves of absence, or other aspects of the employment relationship.

This commitment extends to help-wanted advertisements, working conditions, performance reviews, and post-employment references.

It is the responsibility of all HGI employees to ensure that our EEO policies are carried out. Any employee who violates these policies will be subject to disciplinary action up to and including termination. If you feel that you or any other employee is not being afforded equal employment opportunity, it is your duty to inform the Human Resources Manager or any other member of management of the situation. Each complaint will be investigated in accordance with the investigation procedures outlined in our discrimination and harassment policies.

No reprisal or adverse action will be taken against an employee who honestly reports or participates in the investigation of a violation of this policy.

You may discuss equal employment opportunity-related questions with the Human Resources Manager.

6.8 Americans with Disabilities Act

As an equal opportunity employer, HGI prohibits any form of discrimination against people with disabilities. This is in accordance with the Americans with Disabilities Act of 1990, as amended (“ADA”), which prohibits discrimination against persons with disabilities in hiring as well as in all terms and conditions of employment. The employment provisions of the ADA apply to employers of fifteen (15) or more employees.

HGI will make every effort to implement reasonable accommodations to ensure equal opportunity in the application process, to enable employees to perform essential functions of the job, and to enjoy the same level of benefits and privileges of employment as enjoyed by employees without disabilities.

Qualified individuals with disabilities may make requests for reasonable accommodations to the Human Resources Manager. On receipt of an accommodation request, Human Resources may meet with the requesting individual to discuss the disability, and request written notification from the individual from a medical professional detailing the nature of the disability, or take any other steps necessary to identify the precise limitations resulting from the disability in order to determine the feasibility of the requested accommodation.

An employee impaired by a disability will be permitted to continue active employment as long as the employee is able to perform all essential job functions, with or without reasonable accommodation (as determined by HGI in conjunction with the attending physician), is not contagious under normal workplace conditions, and can meet acceptable levels of performance established by HGI. Human Resources will review each case on an individual basis, and reasonable job-related accommodations will be made when appropriate and possible in accordance with federal, state, and local laws. Precautions may be taken to guarantee that an employee's condition does not represent a health risk and/or safety threat to other employees.

6.9 Immigration Reform and Control Act

HGI is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

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 and present documentation establishing identity and employment eligibility within three (3) business days of reporting to work. Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three (3) years, or if their previous I-9 is no longer retained or valid.

Employees with questions or who seek more information on immigration law issues are encouraged to contact the Human Resources Manager. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

7.0 Time at HGI

7.1 Background Checks & Pre-Employment Drug Screening

Background checks serve as an important part of the selection process at HGI by promoting a safe working environment for current and future employees. They also help us obtain additional applicant-related information to determine the applicant's overall employability and assist in the protection of our staff, property, proprietary information, and reputation.

Our Human Resources Department is responsible for conducting reference checks on new hires. Human Resources, through third-party agencies that specialize in these services, may request consumer reports regarding potential employees. The applicant is responsible for providing accurate information to be used for this process.

We strive to keep all background checks in compliance with all federal and state statutes. We may make inquiries during the pre- or post-employment stage.

At HGI's discretion, offers of employment will be contingent upon satisfactory results of a pre-employment drug screen test. The test will be administered at no cost to you and the contracted agent will hold the results in confidence.

Information obtained from the reference, background check, and drug screen may be used as part of the employment/interview process and are kept confidential. Only appropriate management staff at our Company should have access to this information based on reasonable business practices.

7.2 Offer Letter

In consideration of employment by HGI and the salary or wages paid, the offer of employment confirmation letter must be signed prior to employment. Upon employment, there is no agreement either expressed or implied, that a new employee will be promoted, receive an increase in salary, or otherwise be upgraded at any specific time in the future. Employees should understand that advancement depends solely upon individual performance and availability of openings.

7.3 Introductory Period

The first ninety (90) days of employment are considered a probationary/orientation period. This period provides you with the opportunity to demonstrate your ability, dedication, and skills required to perform the job for which you were hired. We believe that this period is adequate for employees to adapt to our work environment and for HGI to determine if they employee is suited for the position in which they were hired. The successful completion of this period should not be construed as a guarantee of employment for any specific duration or as establishing a termination standard.

7.4 Orientation and Training

To help employees become familiar with HGI, assigned responsibilities, and the skills required for efficient job performance, HGI may periodically conduct orientation and training programs. Additional continuing education and/or training programs may be encouraged, and/or required, to help employees adapt to changes that affect their roles.

7.5 Medical Procedures

HGI management is concerned about the physical well-being of its staff and encourages all employees to have periodic physical examinations. Check your Health Plan documents to ascertain coverage. HGI may also request that a physical examination be done whenever conditions make this desirable for your protection or that of HGI. HGI pays for physical examinations administered at their request.

At HGI's discretion, offers of employment will be contingent upon satisfactory results of a pre-employment drug screen test. The test will be administered at no cost to you and the contracted agent will hold the results in confidence.

If you become ill or get hurt while at work, your manager should be notified immediately.

7.6 Personnel Records

It is HGI's policy to maintain personnel records for past and present employees to document employment-related decisions, evaluate and assess policies, and comply with government record keeping and reporting requirements. Each employee is required to complete a personnel record, along with other forms, which provide information for:

- Withholding federal and state taxes
- Other payroll deductions
- Eligibility for the Company's insurance programs
- Any other documents to support government regulations

HGI strives to balance its need to obtain, use, and retain employment information with everyone's right to privacy. It attempts to restrict the personnel information that's necessary for the conduct of its business or is required by law. Only appropriate administrative personnel will have access to this information, and only employment information that the employee has given to third parties (such as banks and loan institutions) will be verified by the Company. No other information will be offered to these third parties.

7.7 Employment-At-Will

Termination of employment is an inevitable part of personnel activity within any company and many of the reasons for termination are routine. Since employment with the Company is based on mutual consent, both the employee and the Company have the right to terminate employment at will, with or without cause, at any time.

7.8 Secondary Employment

Our work is unpredictable, and frequently our employees are asked to work overtime on short notice. Because we depend on our staff being able to respond to our overtime needs, we prefer that they do not engage in secondary employment (i.e., moonlighting). In unusual circumstances, moonlighting may be allowed, provided approval is given in writing. Approval will not be given for the following:

- The outside job imposes an additional strain or load on the employee so that health or quality of work is affected.
- The outside job involves work with a competitor, a potential competitor, or with a company which in any way could be construed as being interested in obtaining knowledge about HGI.
- The outside job involves obtaining or proposing on business contracts with HGI. It is HGI's policy not to award separate business contracts or subcontracts to employees for work that they are expected to perform as employees (i.e., drafting, etc.).
- The outside job is one that is within the scope of work HGI can or does perform for our clients.

HGI is not responsible for the actions of employees who moonlight, nor does HGI's liability insurance cover their actions. Therefore, employees who moonlight must issue written declaration (sample to follow) to their client or employer that they are working on their own behalf and that HGI will not be responsible for their actions, nor is HGI involved in any way with the work being performed. These written declarations are to be reviewed by the CEO, who will authorize any moonlighting.

Sample Declaration:

To: (Secondary Employer)

From: (HGI Employee)

Subject: Liability Disclaimer

The purpose of this memo is to clearly state that I am entering into a business relationship with you as an individual, and in no way is my employer, HGI, responsible or liable for any aspect of the work I perform on your behalf.

It is understood that I am to complete all parts of this assignment on my own time and shall use no equipment, facilities, or other resources of my employer, HGI.

Any claim or suit which may result in whole or in part, because of the work I perform on your behalf, shall be directed entirely toward me, and in no way shall my employer, HGI, accept any responsibility for my actions.

(Signed by employee)

7.9 Voluntary Termination

When an employee resigns, or officially asks to be separated from HGI, it is a voluntary termination. HGI should be informed of voluntary terminations at least two (2) weeks in advance. The employee should give written advance notice to his or her manager.

An employee who fails to report to work as scheduled or fails to report absences for three (3) consecutive days will be considered to have voluntarily terminated his or her employment.

All Company-owned property must be returned immediately upon termination of employment. This property includes, but is not limited to the following:

- All technology
- Headset
- Printer
- iPads
- Monitors
- Laptops
- Reference books or materials
- Phones
- Office/security ID's
- Company expensed hardware/tools
- Company issued equipment
- Company credit card

7.10 Involuntary Termination

Continued association with the Company requires rendering honest, capable, efficient, and loyal service. Termination will be affected for lack of capability, inefficiency or misconduct, or in the event a reduction in personnel becomes necessary for any reason. Anyone, regardless of length of service, may be discharged at any time for dishonesty, flagrant neglect of work, insubordination, possession of or being under the influence of alcohol or narcotics while on Company business or Company premises, or for any reason which jeopardizes the reputation of the Company.

There is no guaranteed severance pay for a terminated employee. Severance pay, if any, will be determined by management. Upon termination, the return of company assets is expected to include:

- All technology
- Headset
- Printer
- iPads
- Monitors
- Laptops
- Reference books or materials
- Phones
- Office/security ID's
- Company expensed hardware/tools
- Company issued equipment
- Company credit card

Shipping confirmation should be provided within five (5) business days from the termination date.

7.11 Termination Date

The termination date for all terminations will normally be the last day worked.

7.12 Inactive Status

Employees who are on any type of leave of absence, work-related or non-work-related, that exceeds four (4) months will be placed on inactive status. During the time the employee is on inactive status, benefits such as PTO and seniority will not continue to accrue.

7.13 Exit Interview

Terminated employees will have an exit interview. Except in cases of substantial layoffs and extraordinary circumstances, the exit interview will be held on the employee's last day of employment. The interviewer is responsible for securing the return of Company property.

The exit interview should serve as the opportunity to outline the compensation and benefits (if any) the terminated employee is scheduled to receive and to identify and correct any misunderstandings.

7.14 Benefits Upon Termination

Life, health, and other “voluntary” benefits will lapse upon termination. For further details, please contact the Human Resources Manager. Some benefits may be continued on an individual basis. A health insurance extension of benefits under the COBRA regulations may be available to eligible employees. Contact our Human Resources Manager for details provided under the COBRA plan.

Upon termination, your unused, accrued PTO for the calendar year of the termination will be paid to you at a straight-time rate. Any carryover PTO from previous calendar years will not be paid out upon termination and will be forfeited to HGI. It is assumed that employees use their current year accrued PTO first and previous year carry-over second. If PTO taken in the year of termination is greater than the aggregate of current year PTO accrual + previous year carry-over, the employee’s final paycheck will be deducted for the use of the excess PTO at a straight-time rate.

Straight-time rate is calculated by dividing your annual salary by 2080 hours. The figure 2080 hours is calculated by multiplying 40 (number of hours worked weekly) by 52 (number of weeks in a year).

For an explanation of how PTO is accrued, see Section 14.1 – “Paid Time Off (“PTO”)”

7.15 References / Letter of Recommendation

The Company may verify, in writing, dates of employment and position of a past or current employee upon receipt of a written request. No information relative to performance or reason for termination will be released. References will only be released by the Human Resources Manager.

The Company will give only neutral references concerning all former employees. A neutral reference consists only of:

- Dates of employment
- Position
- Brief description of the duties performed

HGI will also submit salary information for mortgage verification or similar credit inquiry upon receipt of written authorization from the employee.

General letters of recommendation for former employees will not be given.

7.16 Re-Employment

Employees who have left HGI voluntarily and who make application for re-employment will be given full consideration. They will, however, be subject to the same selection criteria as any other prospective employee.

Employees terminated as a result of a reduction in the workforce may be given priority consideration in the event of any future employment opportunity.

No former employee who was involuntarily terminated will be considered for re-employment.

8.0 Work Schedule

8.1 Work Hours

Our normal business hours are Monday through Friday, 8:30 a.m. to 5:30 p.m. (with one (1) hour for lunch). The work week runs from Monday through the following Sunday.

8.2 Working Remotely

8.2.1 Maintaining Performance

To ensure that employee performance will not suffer in remote work arrangements, we advise our remote employees to:

- Choose a quiet and distraction-free working space, with adjustable office chair and desk that is set up with ergonomic principles in mind.
- Have an internet connection that is adequate for their job.
- Dedicate their full attention to their job duties during working hours.
- Ensure work schedules overlap with those of their team members for as long as is necessary to complete job duties effectively (considering time zone differences).

8.2.2 Compliance with Policies

Our remote employees must follow all Company policies as required of their office-based colleagues. Examples of policies that all employees should abide by include, but are not limited to, the following:

- Attendance
- Social media
- Confidentiality
- Data protection
- Employee Code of Conduct
- Anti-discrimination/Antiharassment/Equal opportunity
- Safety
- Dress and grooming policies when meeting in-person or by video with customers, partners, or other Company employees.

8.2.2.1 Equipment and Expenses for Permanent Remote Worker

- Company will provide our remote employees with equipment that is essential to their job duties, like laptops, headsets, secondary monitors, printer, and cell phones (when applicable). This equipment is coordinated through Company IT personnel.
- A one-time reimbursement of up to a maximum of \$1,200 is provided for the purchase of office furniture (adjustable office chair, desk, and other necessary furniture for the employee's **work area only**) for remote employees. This one-time reimbursement is not an allowance that will be paid to employees, but rather reimbursement of **actual expenses incurred up to \$1200** to purchase a desk and adjustable office chair. Receipts should be submitted on an expense account for the equipment purchased to receive reimbursement.

- Company will reimburse the employee for the monthly cost of high-speed internet up to a maximum of \$75. Note this is not an “allowance,” but rather a reimbursement for actual expense incurred (up to \$75 per month) for high-speed internet for use to work from home. If more than one employee works from the same home, the reimbursement will only be made one time, not per employee, and the reimbursement is ONLY for the high-speed internet connection and not for other bundled services such as phone, TV etc. A receipt showing actual charges for high-speed internet must be submitted on an expense account showing the actual costs paid for high-speed internet for that month to be reimbursed for this expense (up to \$75 per month max).
- Remote employees will also receive expense reimbursement to cover reasonable and necessary business-related expenses that are incurred as part of their work activities (e.g., print paper, printer ink, shipping costs). Follow the expense reimbursement policy in terms of required documentation. Please contact the your manager with any specific questions about our reimbursement policy.

Equipment that we provide is Company property. The Company retains control over the property and reserves the right to monitor Company property even when used at your remote location. Employees must keep it safe and avoid any misuse. Equipment supplied by the Company is to be used for business purposes only. The remote worker will sign an inventory of all Company property received and agree to take appropriate action to protect the items from damage or theft. Employees must take proper measures to secure Company information, assets, and systems.

Specifically, employees must:

- Keep their equipment password protected.
- Store equipment in a safe and clean space when not in use.
- Follow all data encryption, protection standards, and settings.
- Refrain from visiting untrustworthy or suspicious sites.
- Only download authorized software with prior approval.
- Keep confidential information in locked file cabinets and desks.

9.0 Timesheets

Employees are required to maintain an accurate record of all time worked. During the first week of employment, you will be shown how to record your time properly. Employees must enter their time on a regular basis and must submit their timesheet on a weekly basis and after the last day of each month. When you submit your time, an electronic copy is submitted to the appropriate person for review and approval.

Employees must submit completed timesheets for the previous week by 12:00 p.m. on the first business day following, normally a Monday. A holiday observed by HGI is not counted as a business day. Employees that plan to be away from work on the first business day following the end of each timesheet period should submit their timesheets before leaving work on the last day of the timesheet period.

In the case of an unexpected absence from work on the first business day following the end of a timesheet period, the employee should submit their timesheet as soon as possible thereafter.

9.1 Non-Exempt (Hourly) Employees

It is Company policy to comply with all federal and state regulations pertaining to overtime compensation for hourly (non-exempt) employees. Hourly employees will be paid 1.5 times their regular hourly rate for all hours worked more than forty (40) per week.

Paid holidays and approved jury/witness duty are considered hours worked for overtime purposes. However, personal time off, bereavement leave, time missed due to an accident on duty, and other absences do not count as hours worked for overtime purposes. Training time required by HGI is paid time and is included when overtime is calculated.

9.2 Exempt (Salaried) Employees

There will be times when you will need to work extra hours so that we may successfully meet the needs of our clients. Exempt employees are paid on a salaried basis regardless of the number of hours worked in a work week.

Employees whose jobs are classified as exempt are not eligible for overtime compensation. Your offer letter will indicate whether your position is designated as non-exempt or exempt.

10.0 Work Schedule Reliability

Punctuality and availability are crucial factors for your success within our Company. We work as a team, and this requires that each person be in the right place at the right time. If you are going to be late for work or absent, it is important to notify your manager within one-half hour of the start of your workday. Unsatisfactory attendance, repeated tardiness, or quitting early without permission may be cause for disciplinary action, up to and including termination.

If you are absent for three (3) days without notifying the Company, it is assumed that you have voluntarily abandoned your position with us. Termination will be effective thirty (30) minutes after your scheduled start time on the third consecutive workday in which you are absent. Your employment will be terminated, and you will not be eligible for rehire.

10.1 Inclement Weather

10.1.1 In Office

Severe weather is to be expected during certain months of the year. If inclement weather warrants closing the office, Management will make that decision and advise employees of the intended closure. If severe weather develops during the course of the workday, employees working in the office should proactively plan to leave the office and finish the workday from home. You will be compensated as if you had worked a regular day.

If extreme weather conditions are forecasted and require that we close the office, your manager will notify you. When the Company does not close during bouts of severe weather, each employee should exercise reasonable judgment to work from home or report to work at the office safely.

10.1.2 Work from Home

In the case of severe weather at your home (power loss, evacuation of house, inclement weather, natural disaster, etc.), please check in as soon as possible to confirm you are safe.

Do not take advantage of inclement weather if you still have the ability to work (i.e., snow day).

11.0 Salary & Overtime Pay Procedures

11.1 Pay and Pay Periods

All employees are paid semi-monthly on the 15th and last day of every month. Each paycheck will include earnings for all work performed through the end of that payroll period.

If a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will receive pay on the preceding operating business day.

11.2 Automatic Deposit

HGI offers automatic payroll deposit for employees. You may begin and stop automatic payroll deposit at any time. To begin automatic payroll deposit, you must complete a form (available from the Finance Department) and return it to the Finance Department. The mandatory one payday pre-note requirement assures that your funds will be credited to your account correctly. You should carefully monitor your payroll deposit statements for the first two (2) pay periods after the service begins. To stop automatic payroll deposit, complete and return the form available from the Finance Department. You will receive a regular payroll check on the first pay period after the receipt of the form, provided it is received no later than the end of the pay period.

11.3 Overtime

Although it is in everyone's best interest to complete work during regular office hours, the nature of our business sometimes makes this impossible. HGI expects every member of the staff to be available for overtime work during critical, rush periods.

11.3.1 Exempt Employees

Exempt employees are those whose duties are such that they are exempt from the overtime provisions of the Fair Labor Standards Act ("FLSA"). Such employees are generally involved in executive, administrative, or professional work, as defined by federal law. These employees are expected to spend whatever time is required (with the minimum being forty (40) hours per week) for the Company to meet its commitments without additional or overtime pay. Refer to Section 6.1 for more information.

11.3.2 Non-Exempt Employees

Non-exempt employees are those who are subject to the provisions of the FLSA and are eligible for overtime compensation. All overtime work shall have the prior approval of the employee's manager. Compensation to non-exempt employees for all hours worked in excess of forty (40) hours per week will be at the rate of 1.5 times the basic rate. Time off due to vacation and sick time will not be considered as time worked for computing overtime pay. Refer to Section 6.2 for more information.

11.4 Compensatory Time

The Company does not allow salaried staff members to accumulate hours for future time off. We realize that salaried people may have to work more hours some days/weeks, but this time does not accumulate for time off at a future date.

Salaried employees are expected to be available and working during core business hours, which are Mondays through Fridays from 8:30 a.m. to 5:30 p.m; this includes those work weeks in which time exceeds the minimum 40-hour work week, unless PTO was previously approved by management.

Non-exempt staff members are also not allowed to accumulate hours for future time off.

11.5 Performance and Salary Reviews

The primary purpose of performance reviews is to:

- Give each staff member feedback about their past performance.
- Set goals for the future.
- Listen to your input.

We want the evaluation process to be cooperative and constructive for all involved. Written notes of the review will be kept in each staff member's personnel file. Such performance reviews shall be held as deemed necessary, at least once a year.

11.5.1 Wage Adjustments

A performance review does not automatically mean you will receive a wage adjustment. It is a time, however, that you and your manager may discuss a wage adjustment. Your wage is based, in part, on the goals and responsibilities set forth by you and your manager, but is also dependent on whether the Company is profitable, what part you had in making the Company profitable, and your current wage. Annual wage adjustments, if they occur, are made effective January 1 each year for all employees.

11.5.2 Review Date

All employees will be reviewed toward the end of each calendar year.

11.6 Promotions

Employees are encouraged to prepare themselves for promotion and assumption of greater responsibilities. The Company strives to promote from within, whenever possible, to fill vacant positions.

Promotions are based on merit, determined by management, and based on performance on past and present assignments. Employees considered for promotions are evaluated on factors such as the following:

- Attendance and work records
- Technical experience and ability
- Creativity
- Management ability
- Effectiveness of performance
- Ability to collaborate effectively with other employees

- Ability to bring in new clients and projects
- Dedication
- Potential
- Ability to satisfy clients
- Attitude

11.7 Federal Insurance Contributions Act (“FICA”)

Both employees and the Company contribute funds to the federal government to support Social Security and Medicare, also known as the Federal Insurance Contributions Act (“FICA”). The Social Security program is intended to protect against loss of income due to death or disability and to provide you with retirement benefit payments once you reach retirement age. The Medicare program provides both medical and hospital insurance. As required by law, contributions to both Social Security and Medicare are automatically withheld from employees’ paychecks.

12.0 Bonuses & Benefits

12.1 Bonus Plan

The Owners of HGI will review the corporate books at the end of each fiscal year to determine the year’s profit and review the projections for economic and corporate needs for the upcoming year. If the Owners determine that the corporate obligations and needs can be met for the upcoming year with a bonus plan, a portion of the Company’s profit will be set aside for bonuses by qualifying employees. There is no guarantee that any funds will be set aside for a bonus plan in any given year.

HGI’s ability to support a bonus plan is at the sole discretion of the Owners and will be determined on an annual basis. Bonuses are based on managers’ input and evaluation of performance in discussion with CEO. Performance drives, and is reflected in, the bonuses, which are ultimately approved by the Board of Directors.

12.1.1 Qualifying Employees

Full-time, non-temporary, and regular part-time employees are to be considered eligible employees. An individual must be an active employee of the Company at the time of distribution to participate.

12.1.2 Taxes

Bonuses are to be taxed under the standard IRS rules.

12.2 Performance Bonuses

In addition to the bonus plan, employees may receive monetary bonuses based on individual merit, and any other significant factors. Whether or not bonuses are granted, and the number of bonuses, is determined by the Owners of HGI. The distribution of performance-based bonuses typically coincides with the general bonus plan.

12.3 Referral Bonuses

We have implemented a recruitment referral bonus program to encourage and involve our staff in assisting to fill positions that are either vacant or are needed to meet our projected goals. The program has been designed to reflect the Company's needs on a case-by-case basis depending on the type of position. Not all positions may be eligible for a bonus; eligibility will be defined by need. Note, if the position being filled is a part-time position, the referral bonus will be pro-rated, based on the position's annual hours. This program is intended to be an active recruitment plan; participants must show evidence of their recruitment efforts to qualify for a bonus including the submission of the candidate's resume. Current job openings can be found on HGI's website and intranet. Details of the bonus payment can be found in the Company's recruiting incentive plan, which can be found on the Company's intranet.

12.4 401(k) Plans

A 401(k) is a retirement benefit for employees to invest money on a pre-taxed basis. The investment is made automatically, through a payroll deduction, into one or any combination of funds available through the Company plan. The Company may provide a matching contribution each year in an amount determined by the Owners of HGI, however, this is not guaranteed. For plan specifics, please see the plan's Summary Plan Description ("SPD").

13.0 Insurance

The following sections present an overview of the principal insurance benefits available, but the availability and the amount of such benefits may be governed by and determined solely by the legal documents involved, if any. This Manual does not constitute such a legal document.

HGI offers medical, dental, and vision coverage for eligible employees and their eligible dependents. These programs are administered by a major medical insurance carrier. Please refer to each of the corresponding Summary Plan Descriptions ("SPD"), which contains more details about these plans. In the event of any conflict between the information contained in this Manual and in the SPD, the SPD shall govern.

These plans are subject to change at HGI's discretion. Additionally, the amount that you may be required to contribute toward the premiums for any of these plans may be changed at HGI's discretion.

13.1 Waiting Period

Employees are eligible to participate in the health benefit programs offered by HGI on their first day of employment. In addition, enrollment for Long- and Short-Term Disability insurance should be completed during the first week of employment.

13.2 Employee Contributions

HGI provides a health insurance benefits package to eligible employees and their dependents. If you choose to participate in the health insurance benefits plan, the premium amount will be paid at a discounted rate by the employee through payroll deduction. For specific rate information and eligibility requirements, please review the plan details offered by Benefits Management System.

13.3 Enrollment Period

At the time you are hired, you are given an opportunity to select your benefits. If you waive participation in any of those programs for you or your eligible dependents, you will only be allowed to apply for entry into the various plans during open enrollment. The open enrollment period allows employees to add or change their benefits coverage. Applications for Medical, Dental, Vision, STD, LTD, as well as for Medical and Dependent Care Reimbursement may be submitted during this period. See our Benefits Management System for the applicable open enrollment period. Once you have made a change, you cannot change that selection until the next open enrollment period, except in the case of a major life status change (Qualifying Life Event or “QLE”).

A QLE is defined as a life status change such as marriage, birth or adoption of a child, or involuntary loss of medical and/or dental and/or vision coverage, etc. Entry into these plans will be allowed as long as application for coverage is made within thirty (30) days of the QLE. For specific details regarding special enrollment situations, please see the Benefits Management System.

13.4 Medical, Dental, and Vision Insurance

HGI offers a comprehensive medical plan for eligible employees. Please refer to the specific plan’s information package for additional details.

13.5 Life Insurance

Employees are eligible for and are automatically enrolled in a group term life insurance program. You may designate or change the beneficiary for this policy at any time. Employees are reminded that it is their responsibility to notify the benefits management system whenever there is a change in beneficiary. Death benefits must, by law, be paid to the last shown beneficiary on record. HGI pays the premium for this program. Please refer to the specific plan’s information package for additional details of the benefit.

13.6 Short-Term Disability (“STD”)

HGI offers a short-term disability plan for eligible employees. Under this plan, you will receive a percentage of your regular earnings. Please refer to the specific plan for additional detail for benefits and limitations.

13.7 Long-Term Disability (“LTD”)

HGI offers a long-term disability plan for eligible employees. Under this plan, you will receive a percentage of your regular earnings. Please refer to the specific plan for additional detail for benefits and limitations.

13.8 Consolidated Omnibus Budget Reconciliation Act (“COBRA”)

The Federal Consolidated Omnibus Budget Reconciliation Act (“COBRA”) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under our health plan when a qualifying event would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee’s hours or a leave of absence; an employee’s divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at our group rate plan, plus an administration fee. The Company provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under our Company health insurance plan. The notice contains important information about the employee's rights and obligations. Please see the Human Resources Manager for more information on eligibility requirements.

13.9 Cafeteria Plan and Flexible Spending Account ("FSA")

HGI offers a Section 125 cafeteria plan to eligible employees. The plan allows participants to use pre-tax dollars to pay for certain un-reimbursable medical expenses, insurance, and dependent day care expenses. By using pre-tax dollars, overall tax liability is decreased, and take-home pay is increased. Open enrollment is January 1st of each calendar year or within thirty (30) days for new hires. For specific information regarding eligibility, contributions, benefits, and tax status, please review the plan details.

13.10 Unemployment Insurance

In accordance with state and federal laws, HGI is taxed on a quarterly basis for its contributions toward state and federal unemployment insurance programs. This is a fully Company-paid benefit. No deductions are made from the employee's pay for these programs.

Upon separation from employment, you may be entitled to state and federal unemployment insurance benefits. Information about unemployment insurance can be obtained from your manager.

14.0 Paid & Unpaid Time Off

14.1 Paid Time Off ("PTO")

As part of providing competitive compensation and benefits, HGI provides Paid Time Off ("PTO") to revitalize and improve the well-being of our employees. PTO is a wellness benefit that is accrued and used during the calendar year (January 1 through December 31) and includes sick leave accruals, as well as vacation and personal leave time.

Unless modified in the offer of employment letter, full-time employees accrue PTO according to the following:

- Employees accrue 16 days of PTO during the first year of employment.
- In years two through eleven, employees accrue one additional day per year, until a maximum of 26 days is accrued.

Unless modified in the offer of employment letter, part-time employees accrue PTO based on the ratio of hours worked divided by forty (40), the number of hours worked by full-time employees. HGI retains the right to make final and binding determinations about how to apply, interpret, change, or modify this PTO policy.

To ensure appropriate use, employees should collaborate with their manager, project managers, and fellow employees while scheduling PTO in order to ensure there is limited disruption of client service without overburdening fellow employees. It is each employee's responsibility to ensure that project obligations are met while PTO is utilized. This can be accomplished through coordination with coworkers, project managers and the employee's manager. However, simply notifying a manager, project managers, and others of planned PTO does not relieve the employee of project responsibilities during PTO. It is not the intent that employees work while taking PTO. However, when employees do work during PTO, for whatever reason, the time worked should be deducted from the amount of PTO hours that are recorded on the timesheet.

HGI encourages employees to utilize their entire PTO benefits during the calendar year. HGI recognizes that certain circumstances may prohibit utilization of PTO benefits during the year, in which case employees may be authorized to carryover 1.0 times their allotted annual PTO benefits. PTO is used in a last-in-first-out manner. If an employee does carry over unused PTO into future calendar years, the employee's current calendar year PTO accrual is used first.

While PTO requests can be made at any time during the year, they must be submitted to and approved by the employee's manager prior to the time requested to receive compensation. Because PTO requests are granted on a first come, first served basis, it is preferred that the employee provide a 30-day advance notice to request PTO.

In the event of termination, the employee will receive payment for all accrued and unused PTO in the calendar year of the termination date. Carryover PTO from previous years will not be paid out to the employee upon termination. See Section 4 under "Benefits Upon Termination" for more details.

14.2 Unpaid Time Off

Any employee can ask for up to five (5) days off without pay in addition to their regular PTO benefit. We have a formula for calculating the salary deduction for an exempt employee. The employee must ask for and receive approval for this salary deduction and for the requested days off.

- First Year of Employment

During their first year of employment at HGI, employees are eligible for vacation time on a pro-rated basis, depending on the number of months employed. New employees should not use any vacation time during the first three (3) months of employment, unless otherwise negotiated with the Hiring Manager.

14.3 Paid Holidays

HGI recognizes the following Federal holidays per year:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving and the day after
- Christmas Eve and Christmas Day

With two (2) days off for both Thanksgiving and Christmas; totaling eight (8) paid holidays. When a recognized holiday falls on a Saturday, the previous Friday will be observed. A recognized holiday falling on Sunday will be observed on the following Monday.

14.4 Absence and Punctuality

HGI recognizes that circumstances beyond your control may cause you to be absent from work for all or part of a day. However, an unauthorized absence or tardiness may result in disciplinary action.

It is expected to report to work when scheduled. If you are unable to report to work, your manager should be notified in advance whenever possible. Leaving a voicemail message with another staff member is also an accepted notification of absence. In addition, email notification is an acceptable form of notifying your manager of your absence. Unreported absences or delays may result in loss of compensation.

You will be compensated for authorized absences according to the provisions described in this Manual. Authorized absences beyond the time allowed under that policy may be authorized without compensation.

If you are delayed from reporting to work, you must call your manager and state the reason for the delay. Regular delays in reporting to work may result in managerial action.

14.5 Personal Business and Emergencies

Personal leave not otherwise covered in this Manual may be considered at HGI's discretion, for justifiable reasons in cases where an extended period of time away from your job may be in the best interest of both you and HGI. A request for such leave should be processed through your manager.

If such leave is granted and you do not return to work within three (3) days of your expected date of return, your absence will be treated as a voluntary resignation and your employment will be terminated.

HGI cannot guarantee that your position will be held open for you, though, every effort will be made to restore you to your former position or to a position comparable in status and rate of pay. However, circumstances may change, making it impossible or unreasonable to reinstate you at the same level.

During such authorized leave, you retain, but do not increase your credit for prior service or PTO.

14.6 HGI Family and Medical Leave

Under the Family and Medical Leave Act ("FMLA"), federal law requires any company with at least fifty (50) part- or full-time employees to grant employees up to a total of twelve (12) workweeks of unpaid leave during any 12-month period to fulfill family obligations relating directly to the birth or adoption of a child or the illness of a child, spouse, or parent. Family/medical leave may also be used for the employee's own serious illness or injury.

Employees may use PTO during this time, if it is available. When the employee returns to work, he/she is entitled to return to the same or comparable job with no loss of service or other rights or privileges.

14.7 Bereavement Leave

Employees will be allowed up to three (3) regular eight-hour working days per calendar year (non-cumulative) at the employee's effective hourly rate for funeral leave for the death of an immediate family member. Immediate family is defined as the employee's:

- Spouse
- Child
- Stepchild
- Parent
- Stepparent
- Sister, brother
- Grandparent
- Grandchild
- Niece
- Nephew
- Father-in-law/mother-in-law
- Brother-in-law/sister-in-law
- Son-in-law/daughter-in-law

14.8 Formal Leave of Absence

A formal leave of absence is a temporary suspension of employment (usually not to exceed six (6) months), initiated at the request of the employee. If approved by the CEO, the employee's name will remain on the payroll and his/her records will remain intact, but he/she will receive no compensation or other benefits during the leave. Formal leave of absence will be considered for emergencies, educational activities, or for extenuating personal circumstances. The employee's PTO will not accrue during a formal leave of absence.

14.9 Jury Duty and Witness Leave

HGI encourages employees to fulfill their civic duties. To that end, employees will be allowed leave to serve on a jury, if summoned. If you are called during a particularly busy period, we may ask you to request a postponement. HGI will provide any necessary documentation to obtain such postponement.

The time on jury duty will be considered a leave of absence and you will be entitled to continue to participate in all Company benefits as if you were working. While serving on jury duty, you are expected to keep your manager apprised of your status. If jury duty does not occupy a full day, you should return to work for the remainder of that day.

HGI will compensate full-time employees for the first five (5) days you serve as a juror (or in accordance with applicable law). If additional time is required, it will be granted, but without pay. However, employees will be permitted to use accrued PTO if jury duty exceeds the (5) day limit of compensation.

An employee called to appear as a witness will be permitted time off to appear, but without pay. However, employees will be permitted to use accrued PTO when appearing as a witness.

14.10 Military Leave

Employees serving in the Uniformed Services may take unpaid military leave, as needed, to enable them to fulfill their obligations. Employees may use accrued PTO for this purpose. Reinstatement rights will be provided in accordance with federal law. An employee who is a member of a reserve of the Uniformed Services shall be granted a leave of absence from his/her position without pay when ordered to active duty or for annual training. A copy of the Orders must be submitted to your manager. Advance notice must be given through a Time Off Request, if feasible.

14.11 Voting Leave

HGI encourages all employees to vote. Most polling facilities for elections for public office are scheduled to accommodate working voters. If there is a conflict that prevents you from voting before or after working hours, notify your manager so that an adjustment may be made.

14.12 Religious Observance

Federal and state equal opportunity laws generally require employers to accommodate the religious beliefs of employees, but do not require them to provide paid leave. HGI respects your religious beliefs; however, accrued PTO must be used in order to receive compensation for the time away from work. Employees should notify their manager, in advance, of the time off.

15.0 Standards of Conduct

15.1 Conduct

The ethics policy of this Company makes it clear to our staff members that meeting profit, quality, and client service goals does not justify unethical or illegal behavior. The following guidelines have been established for all staff members. They are fundamental in character and are designed for the convenience and protection of everyone. Breaches of these guidelines can result in disciplinary action, up to and including termination.

Since it is impossible to list guidelines to cover every situation, the absence of an illustration from this list will not be the basis for avoiding disciplinary action when the Company believes such action is warranted. The following areas should be of particular concern:

- We believe that the Company's reputation and status in the community and with its clients is dependent upon the conduct and appearance of its staff members both on and off the job.
- As a staff member of a reputable professional service firm, it is important when dealing with or appearing before clients and the public that staff members conduct themselves in a manner that reflects credit upon all staff members and the Company.
- To be courteous, cheerful, and as neat as working conditions permit, is valuable in maintaining the respect of clients and other staff members alike. Questions concerning standards of conduct and appearance should be directed to your manager.

The Company realizes that there may be a staff member whose performance is substandard or who violates a policy or procedures. In these and other circumstances, the manager may issue a verbal or written warning.

15.2 Warning Period

The manager may elect to place a staff member on a warning period. At the end of the warning period, the manager and the staff member should meet for a review. If the problem has not been remedied, the staff member may be terminated.

15.3 Definition of Warning Period

This is a period of time that is determined by the manager to be appropriate to modify the inappropriate behavior that caused the need for disciplinary action. A warning period may not always be used when disciplinary action is necessary. The Company may decide to terminate the employee immediately, depending on the nature of the inappropriate behavior or the policy or procedure(s) that has been violated.

15.4 Discretionary Policy

The procedures contained herein are entirely at the Company's discretion and the Company makes no promises that such procedures will always be followed prior to termination of a staff member. Please refer to the underlined language on the signatory page of this Manual for additional information pertaining to termination.

15.5 Types of Violations for Which Disciplinary Action May be Taken

The following guidelines have been established for all staff members. They are fundamental in character and are designed for the convenience and protection of everyone. Breaches of these guidelines can result in disciplinary action, up to and including termination.

Since it is impossible to list guidelines to cover every situation, the absence of an illustration from this list will not be the basis for avoiding disciplinary action when the Company believes such action is warranted. The activities prohibited by the Company include, but are not limited to, the following:

- The Company fully supports equal opportunity and is against all forms of illegal discrimination and harassment in the workplace. Any staff member who acts in a manner contrary to this or any other Company policy will be subject to disciplinary action, up to and including termination.
- Soliciting, distributing literature, or conducting unauthorized meetings of any kind on Company time or property during working hours.
- Carelessness or inefficient performance of job duties, including the failure to maintain proper standards of performance or interfering with the work of others.
- Stealing from clients, the Company, or fellow staff members.
- Falsification of employment applications or résumés or any of the Company's pre- or post-employment forms, or any other form of dishonesty.
- Disorderly conduct, including fighting; acting in an obscene manner or using obscene, abusive, or threatening language; or horseplay.
- Insubordination, such as failure to follow a proper instruction of a manager or management.
- Defacing, destruction, or abuse of Company property.
- Possession, consumption, use, distribution, manufacture, sale, or dispensation of any controlled substance or illegal drugs.

- Unauthorized possession or use of firearms, fireworks, explosives, or any other weapon on Company property or while engaged in the Company's business.
- Performing personal work while receiving pay for hours worked.
- Personal conduct at work that endangers the health and well-being of others.
- Deliberate damage or denigration to the Company's electronic data system.
- Stealing the Company's time (i.e., sleeping, altering a timesheet or attendance sheet, excessive tardiness, or absenteeism).
- Interfering with other staff members on the job.
- Failure to maintain the confidentiality of the Company's matters, including matters relating to our clients.

15.6 Off-Duty Conduct

While we do not seek to interfere with the off-duty and personal conduct of our employees, certain types of off-duty conduct may interfere with HGI's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the Company's or their own integrity, reputation, or credibility. Illegal or immoral off-duty conduct by an employee that adversely affects the Company's legitimate business interests or the employee's ability to perform his or her job will not be tolerated.

15.7 Conflict of Interest

HGI's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and employees. Therefore, employees should never use their positions with the Company, or any of its clients, for private gain, to advance personal interests, or to obtain favors or benefits for themselves, members of their families or any other individuals, corporations, or business entities.

Employees are prohibited from borrowing money from or lending money to any customer, client, supplier of materials or services, or competitor of ours other than recognized financial institutions (i.e., banks, credit unions, etc.).

15.8 Grievances

Suggestions for improving the Company are always welcome. At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints, questions, and suggestions also are of concern to us. We ask you to first discuss your concerns with your manager, following these steps:

- Within a week of the occurrence, bring the situation to the attention of your immediate manager, who will then investigate and provide a solution or explanation.
- If the problem persists, you may describe it in writing and present it to the CEO, who will investigate and provide a solution or explanation. We encourage you to bring the matter to the CEO as soon as possible after you believe that your immediate manager has failed to resolve it.

This procedure, which we believe is important for both you and the Company, cannot guarantee that every problem will be resolved to your satisfaction. However, we value your observations and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

15.9 Dress Code

All employees are asked to present a professional appearance at all times. The Company has adopted a business casual dress policy. Business casual means dress pants or khakis, shirts with collars, ties (optional), blouses, dresses, skirts, or slacks.

Employees are expected to dress in a manner that is normally acceptable in similar business establishments. Employees should not wear suggestive attire, shorts, flip-flops, T-shirts, novelty buttons, baseball hats, and similar items of casual attire that do not present a businesslike appearance.

Hair should be clean and neat. Shaggy, unkempt hair is not permissible regardless of length. Sideburns, moustaches, and beards should be neatly trimmed.

Occasional work assignments may warrant temporary exceptions to this policy. At those times, employees are still expected to project a professional appearance.

Our remote employees must follow all Company policies like their office-based colleagues. All employees should abide by the appropriate dress code when meeting in person or by video with customers, partners, or other Company employees.

Our Company is obligated to provide an equal opportunity workplace. Therefore, to the extent an exception to the dress policy is necessary to accommodate a sincerely held religious belief, the Company may make an exception to the dress policy. It is the employee's responsibility to inform the Company of any necessary exceptions.

15.10 Substance Abuse

Substance abuse is a serious problem adversely affecting the lives of millions of Americans, corporate profits, organizational effectiveness, and our nation's ability to compete in the world economy. The Drug-Free Workplace Act of 1988 imposes certain obligations upon employers to respond to substance abuse problems.

HGI recognizes alcohol and drug abuse as potential health, safety, and security problems. HGI expects all employees to assist in maintaining a work environment free from the effects of alcohol, drugs, or other intoxicating substances. Compliance with this substance abuse policy is made a condition of employment.

HGI prohibits employees from the unlawful manufacture, possession, use, distribution or purchase of un-prescribed drugs and intoxicants on HGI premises and from working under the influence of alcohol, illegal drugs, or intoxicants during working hours. While we cannot control your behavior off the premises on your own time, we certainly encourage you to behave responsibly and appropriately at all times. All employees are required to report to their jobs in appropriate mental and physical condition, ready to work.

Any employee who is convicted of any violation occurring on HGI property or during working times shall notify the Human Resources Department within five (5) days of the date of conviction. A conviction includes any finding of guilt (including one agreed to by the employee) or plea of no contest and/or imposition of a fine, jail sentence, or other penalty.

Any violator of this substance abuse policy will be subject to disciplinary action up to and including termination of employment.

Employees who have an alcohol or drug abuse problem are encouraged to seek appropriate professional care and counseling, use the Employee Assistance Program (“EAP”), if offered, and consult HGI’s medical insurance plans regarding the potential coverage for referral and treatment.

When work performance is impaired, admission to or use of a treatment or other program does not preclude appropriate action by HGI up to and including termination of employment.

16.0 Safety in the Workplace

16.1 Personal Safety and Emergency Situations

It is the policy of the Company to comply with all applicable federal, state, and local health and safety regulations and to provide a work environment as free as feasible from recognized hazards. Employees are expected to comply with all safety and health requirements whether established by management or by federal, state, or local law; and are expected to report all workplace injuries to their manager immediately. HGI’s Safety Manual can be found on the company’s intranet site.

16.2 Sexual Harassment

HGI will not tolerate verbal or physical conduct by any employee that harasses, disrupts, or interferes with another’s work performance or creates an intimidating, offensive, or hostile environment. While all forms of harassment are prohibited, it is the Company’s policy to emphasize that sexual harassment is specifically prohibited. Each employee has a responsibility to maintain the workplace free of any form of sexual harassment. Any employee found to have engaged in any such conduct will be subject to disciplinary action, including possible termination of employment.

16.2.1 Definitions

Sexual Harassment:

Sexual harassment is a form of staff member misconduct that interferes with work productivity and wrongfully deprives staff members of the opportunity to work in an environment free from unsolicited and unwelcome sexual overtones.

No employee is to threaten or insinuate, either explicitly or implicitly, that another employee’s refusal to submit to sexual advances will adversely affect the employee’s working conditions or terms of employment. Such conduct includes:

- Sexual flirtations, touching, advances, or propositions.
- Verbal abuse of a sexual nature.
- Sexually degrading words to describe an individual.
- The display in the workplace of sexually suggestive objects or pictures.

Any employee who believes that the actions or words of a manager or fellow employee constitute such sexual harassment is required under Company policy to report or make a complaint as soon as possible to their manager or the CEO. All complaints of harassment are to be investigated promptly and in as impartial and confidential a manner as possible. Employees are required to cooperate in any investigation. A timely resolution of each complaint is to be reached and communicated to the parties involved. Retaliation against any employee for filing a complaint or participating in an investigation is strictly prohibited.

16.2.2 The U.S. Equal Employment Opportunity Commission Guidelines

The U.S. Equal Employment Opportunity Commission has guidelines interpreting Section 703 of Title VII prohibiting sexual harassment. Sexual harassment is defined in those guidelines as follows:

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical misconduct of a sexual nature constitute sexual harassment when:

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

Any employee or manager who is found to have engaged in harassment of another employee will be subject to appropriate disciplinary action, depending on the circumstances, up to and including termination.

16.3 Other Harassment

Any form of harassment relating to an employee's race, color, sex, religion, national origin, age, handicap, disability, marital status, veteran status, or on any other protected basis is a violation of this policy. The term harassment includes, but is not necessarily limited to slurs, jokes, other verbal, graphic, or physical conduct relating to an individual's race, color, sex, religion, national origin, age, handicap, disability, citizenship, marital status, or veteran status, or any other protected basis. Harassment also includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature. This policy also applies to electronic media. Any employee violating this policy will be subject to disciplinary or other corrective action taken to stop the harassment. If you believe that you are the victim of harassment, you need to immediately contact your manager or the CEO.

Harassment of our employees in connection with their work by non-employees also will not be tolerated. Any employee who becomes aware of any harassment of an employee by a non-employee should report such harassment to their manager or CEO immediately. Appropriate action will be taken to stop such harassment.

17.0 Professional Development

To maintain and develop the high level of expertise and professionalism for which HGI is known, employees are encouraged to participate in professional and educational activities. Employees should discuss their requested professional development plan and maintain approval from their manager before registering for professional development opportunities.

17.1 Registrations

State laws require professional engineering registration as a condition of assuming responsibility for performing professional engineering assignments. HGI encourages all of our engineers to obtain their professional engineering registration as soon as qualified. HGI provides time off with pay in order to take either examination.

In the event HGI requests you to be registered in another state, we will reimburse you for any travel expenses and the cost of obtaining and maintaining the registration. Any registrations you maintain should be displayed in your workspace.

17.2 Professional and Technical Societies

HGI encourages active participation in technical and professional societies and will pay annual dues to two (2) such organizations for each employee (e.g., SFPE and NFPA). The first two (2), and any additional memberships, will require the approval of Management, who will assess the benefit to the Company through such affiliations. Time off to attend local meetings of particular interest and benefit may be arranged. When the meetings are held in conjunction with a meal, HGI will pay for the meal.

Paid time off and certain expenses may also be granted to individuals wishing to attend regional or national meetings dealing with subjects that will benefit their professional development and enhance HGI's reputation. Employees who are elected to office or are invited to deliver technical presentations will receive priority consideration when more than one (1) staff member wishes to attend the same out-of-town meeting.

As a general rule, Company time, supplies, equipment, and facilities may not be used for committee activities or for writing technical papers, and HGI support staff may not be used during business hours to assist with such activities. These may be approved if Management deems that it is of benefit to HGI to do so.

Employees will make any Company-paid main publications of the organizations to which they belong available in the office. Other documents of the organization, purchased with HGI funds, will become part of the library.

17.3 Education and Training

Professional effectiveness depends on a continual effort to increase knowledge and ability. HGI will make every reasonable attempt to adjust work assignments to permit attendance at seminars and training sessions that can help employees stay informed of the rapidly changing technology in our field.

In order to receive reimbursement for academic courses, a Request for Academic Program Reimbursement must be submitted to your manager for approval before starting the program. The form is posted on the HGI Intranet. The required steps in the process include:

- Provide the details of the program you are requesting HGI to support.
- Review the details with your manager and request their approval & signature.
- Upon completion of the course, provide documentation of final grades, applicable receipts and submit to accounting for reimbursement per the guideline of A=100%, B=90%, a grade below a B level is non-reimbursable.

17.3.1 Training Programs

If courses of instruction are directly related to your assigned duties, financial assistance may be available from HGI. Financial assistance will be considered based on your length of service with HGI, available funds, and the applicability of the course of study to the present and future needs of HGI. You are expected to pay for the instruction, fees, and materials and will be reimbursed up to 100% upon successful completion of the course. The percentage will be subjectively determined by your manager based upon the degree of relevance to your assigned duties. If the program measures learning and assigns a grade, then your reimbursement will be in accordance with the same as outlined in Academic Programs.

If you are taking a course at HGI's request, HGI will be responsible for travel, fees, and other authorized expenses. Time out of the office during normal working hours to attend such a course will be counted as regular hours worked.

17.3.2 In-Service Training

From time to time, you will be expected to attend training sessions conducted by members of HGI or outside experts. This training may be offered when a new project is undertaken and updated technology is required, introduce a new technology of interest, or to demonstrate a new technique or type of equipment.

17.3.3 Academic Programs

If you wish to pursue an academic degree program, please confer with your manager to determine whether scheduling and financial arrangements can be made. In order to qualify for financial assistance, you must have worked for HGI for at least one (1) year and must be an employee when the course is completed.

Acceptance of tuition assistance offered by HGI will require a one-year employment commitment, starting on the program completion date. If employment is terminated for any reason before the one-year commitment has expired, employee will be required to reimburse HGI a prorated portion of the tuition, according to the amount of time remaining in the employment commitment upon the time of termination. Application procedures and determination of eligibility are the same as outlined in Training Programs.

You are expected to pay for the instruction, fees, and materials for each course up front. Reimbursement will be determined after the successful completion of each course on the basis of 100% for a grade of A and 90% for a grade of B. No reimbursement will be provided for a grade less than B.

17.4 Civic Organizations

Membership in civic organizations, service clubs, and luncheon clubs may be encouraged if it is determined that HGI will benefit from an employee's participation. In some circumstances, expenses involved with civic activity may be reimbursed.

18.0 Information Technology

Information technology at HGI is defined as any electronic device or system that processes, communicates, or stores information. The information technology staff is responsible for procuring, configuring, and administering all such equipment owned or operated to conduct the Company's business.

18.1 Exemptions

The following classes of items are not under the oversight of the Information Technology Department:

- Engineering measurement devices
- Engineering cameras
- Engineering calculators
- Financial calculators
- Employee-owned electronic devices

The Information Technology Department reserves the authority to configure, monitor, or prohibit any communication between information technology equipment and exempt items.

18.2 Information Technology Resources

Computer and network systems are an indispensable part of business at HGI. The Company has made a substantial investment in human and financial resources to create these systems for the exclusive purpose of conducting Company business, and promoting Company interests.

It is critical that the Company articulate a clear statement regarding the appropriate use of its information technology resources and institute safeguards to ensure that they remain secure, dependable, and available. The following policies have been established in order to:

- Protect the Company's information technology equipment and systems
- Safeguard the information contained within these systems
- Reduce the financial, organizational, and legal risks to the Company
- Protect the public reputation of the Company

18.2.1 Use of HGI Information Technology Resources

The Company encourages the use of information technology because of the numerous quality and productivity advantages it gives us to do our jobs. However, employees should remember that all information technology resources provided by the Company are HGI property. All employees have a responsibility to use these resources in a professional, ethical, and lawful manner.

18.2.2 Prohibited Use of HGI Information Technology Resources

Company information technology systems shall not be used in any manner, or for any purpose that is in violation of federal, state, or local law. Company information technology systems shall not be used to transmit or store content that reasonable persons would consider to be offensive, threatening, or that would create a hostile work environment.

Violations of any Company information technology policies may result in disciplinary action, including, but not limited to termination of employment and criminal prosecution.

18.3 Confidentiality and Ownership of Data

All electronic data produced by an employee within the scope of his or her employment is the property of HGI. The Company hereby asserts its ownership of all electronic content produced as “work for hire.” This data is not to be stored, transferred, or transmitted to any information storage system not owned or maintained by HGI without the prior consent of Company Owners. Employees are prohibited from copying or transmitting Company data in any form for their own personal use, or dispersing Company data to the organization’s former employees or competing employers without prior consent of Company Owners. Employees must not transmit electronic data owned by HGI to any individual or organization, except to fulfill the Company’s contractual, legal, or administrative obligations.

At any time and without prior notice, the Company reserves the right to monitor, record, and log all stored data, and all electronic transactions occurring over HGI information technology systems.

18.4 Computers

Computers issued to employees and server space allocated for employee data storage may be audited for compliance with Company policies at any time and without prior notice. Items found to be in violation of Company policies will be removed without employee consultation.

Employees are responsible for properly securing and protecting computers and other information technology equipment issued to them by the Company. Any loss, theft, or security compromise of Company-issued information technology equipment should be reported to information technology staff immediately. Employees may be held responsible for the replacement costs of Company-issued information technology equipment that is lost or damaged due to neglect or abuse.

Computers that are configured to bypass Information Technology Department standards and security measures will be disabled from use until such configuration is corrected. Such configuration items include, but are not limited to, mail and file scanning, mail and Internet server configurations, Internet gateway and proxy configurations, file or desktop sharing, and Internet Protocol configuration.

18.5 Other Electronic Information Devices

18.5.1 Requiring Approval

Employee-owned equipment that interfaces Company information technology equipment may be used only after approval from the Information Technology Department. Examples of employee-owned equipment requiring approval include, but are not limited to, calculators with a computer interface, and personal digital assistants without wireless networking.

18.5.2 Prohibited without Prior Approval and Configuration

Employee-owned equipment that permits external access to Company information technology equipment is prohibited without prior approval and configuration by the Information Technology Department. Examples of employee-owned equipment requiring approval and configuration include, but are not limited to, personal digital assistants with wireless networking, and wireless access points.

18.6 Software Installation

The Information Technology Department is responsible for the installation and configuration of all software on all HGI computers. This ensures that all installed software is compatible with the Company's information technology infrastructure and use policies.

All software on Company systems will be legally licensed, conform to information technology security and infrastructure standards, and be appropriate for use in a professional business environment.

It is the desire, and the responsibility of the Information Technology Department to provide every employee with the software they need to complete their assignments, enhance their productivity, and allow them access to information that increases their potential. Employees should notify the information technology staff of any software needs they may have.

18.7 Software Licensing

The Company abides by all applicable federal and state statutes and regulations pertaining to the use of computer hardware and software. All Company information technology systems must be configured and used in compliance with applicable licenses, contracts, and agreements. Unauthorized copying of licensed software is strictly prohibited.

Employee-owned software may be used on the Company's computers only after the employee provides proof that they are legally entitled to use the software on the system, and when such use is not prohibited by other policies. Licensing authorization must be provided to the Information Technology Department, and shall be maintained in the Company's files at all times. Employee-owned software may not be used if valid licensing information cannot be provided.

18.8 Network Services

HGI information technology systems have been designed to be highly available. Their data storage is designed to be recoverable in the case of accidental deletion, hardware failure, or building disaster. Although the cost of data storage is lower than in the past, the cost of fault-tolerant hardware and media is still comparably expensive.

In an effort to strike an effective balance between user convenience, disaster recovery, and excessive cost, restrictions on the amount and methods of data stored on the network have been made. These restrictions include a fixed limit on the size of each employee's home directory, and mailbox size. The current limit for an employee's account is available from the Information Technology Staff.

Employees are urged to remember that network storage is finite and will be limited to the amount of data that can be archived during evening maintenance. Unnecessary duplication of files in multiple locations, and storage of unnecessary files on network servers should be avoided.

18.9 Passwords

The Company has a fulltime connection to the Internet and manages equipment to provide content and services over the Internet twenty-four (24) hours a day. Some of these services allow employee access to the Company's private network over the internet, and could cause significant problems if not adequately secured. For this reason, along with protecting the digital identities of employees, the Company takes network password confidentiality very seriously.

- Passwords will be required to meet certain length, character, and expiration requirements. Contact the Information Technology Department for the current password requirements.
- Employees will be responsible for all computer transactions that are made with their user ID and password.
- Employees will not disclose passwords to others. An exception to this may be granted so that a password can be shared with a member of the Information Technology Staff for configuring a profile on the employee's primary computer.
- Passwords will not be recorded where they may be easily obtained by others.
- Employees will log off or lock a workstation when leaving for an extended period.
- If a password is compromised, either intentionally or accidentally, the compromised account will be disabled until the owner of the account contacts the Information Technology Department to request a new temporary password.

The confidentiality and integrity of data stored on Company computer systems must be protected by access controls to ensure that only authorized employees have access. This access shall be restricted to only those capabilities that are appropriate to each employee's job duties. When it becomes necessary for an employee to access resources to which they have not been granted access, the Information Technology Department should be notified so that their access rights may be reviewed and modified if necessary.

18.10 Privacy of Electronic Communications

The general policy of HGI's Information Technology Department is to treat employee electronic data and communications with the same degree of courtesy as equivalent tangible or physical items. This policy, current technology, and federal or state regulations, however, do not guarantee privacy or confidentiality to employees over Company information technology systems. Employees shall have no expectation of privacy for any electronic activity occurring on or over HGI information technology systems.

18.10.1 Incidental Discovery and Disclosure

Employee electronic files or communications may be viewed as an incidental result of information technology maintenance, performance optimization, and project work. Incidental discoveries in violation of organizational policies may be disclosed as necessary to the appropriate managers and Owners. Incidental discovery of information technology content in violation of organizational policies by other employees should be reported to the appropriate managers or Owners.

18.10.2 Deliberate Discovery and Disclosure

Employee electronic files or communications may be viewed as a deliberate result of information technology policy auditing. Discoveries in violation of organizational policies may be disclosed as necessary to the appropriate managers and HGI Owners. Deliberate discovery and disclosure of employee electronic files or communications may also be done at the request of Company Owners when the violation of data confidentiality or other organizational policies is suspected.

Employees should be aware that Company information technology systems are subject to search and seizure by law enforcement agencies, and court subpoena under certain circumstances.

18.11 Internet Services

Internet services are defined, for the purposes of this policy, as all network traffic flowing into or out of Company information technology systems over the public Internet. These services include, but are not limited to, the World Wide Web (http or https), e-mail (POP3, SMTP or IMAP), File Transfer Protocol, and Instant Messaging.

HGI Internet services provide key communications between the Company and its customers, its employees, and other important organizations. Unlike consumer-grade Internet connections, the Company's incoming Internet data is as important as its outgoing data. The Information Technology Department, at its discretion, may limit or block certain internet addresses, protocols or applications in order to ensure suitable bandwidth for business-critical communications.

Information transmitted over the Internet is not secure. Internet data can be captured and read at many points between internet servers and Internet clients. Confidential, sensitive, or legally privileged information should not be sent over the Internet in any form that is not encrypted. Encrypted data can still be captured at points along the Internet, but in an encrypted form that is unreadable.

HGI information technology systems provide access to external resources and networks through the Internet. Users are hereby warned that they may encounter material from these resources that is offensive, misleading, unethical, or otherwise objectionable in nature. HGI does not assume responsibility for any of the content from these external resources.

18.11.1 Authorized Use

HGI Internet services are provided for business use only. Users are permitted only to access or distribute content that would be considered reasonable as a printed publication for reading in a business environment. Occasional personal use of Internet services is permitted, providing such use does not interfere with employee or network performance. Personal use is also limited only to content that would be considered reasonable as a printed publication for reading in a business environment. Users are expected to conduct themselves in a professional, ethical, and legal manner in all of their Internet activities.

18.11.2 Unauthorized Use

The Company prohibits Internet usage that degrades employee productivity or network performance. Transmitting information in any form that violates HGI Data confidentiality and ownership policies is also strictly prohibited.

- HGI Internet services shall not be used to access or distribute;
- Content that is sexually explicit or pornographic;
- Content that is threatening, abusive, profane, violent, or unnecessarily repetitive;
- Content that promotes or participates in any illegal activity;
- Content containing copyrighted materials without consent of the copyright owner;
- Content that is slanderous or defamatory to the Company;
- Content that compromises the security or privacy of the Company or any individual;
- Online gaming or gambling; or
- Unsolicited mass e-mail or chain letters.

Violations of the Internet services policies may result in employee loss of Internet access and other disciplinary action, including, but not limited to termination of employment and criminal prosecution.

18.12 Digital Signing and Encryption

Digital signatures are not the digital pictures of handwritten signatures. They are a way of signing a piece of data by the use of a digital certificate. Digital certificates contain keys – complex numeric passwords – that are plugged into formulas for encrypting or authenticating data. Individual pieces of data, as well as entire communication sessions such as web purchases can be digitally signed and/or encrypted. Agreements that are entered into by the use of digital signatures can be legally binding.

The compromise of a digital certificate is a serious security issue. Company information technology systems make use of these certificates for many uses. An employee should immediately contact the Information Technology Department if they suspect their network password has been compromised or in the case of any other suspicious activity.

Documents or compressed archives should not be password encrypted unless passwords are documented and available to manager/Owners. The manager/Owner should agree that there is a need for such encryption for each specific document prior to encryption. In most cases, the use of proper network security makes the use for encryption unnecessary. For more information on this topic, contact the Information Technology Department.

18.13 Email

HGI provides email access to employees for business use only. All email transported over the Company's mail servers is the property of HGI and is subject to compliance with all information technology and other organizational policies. Email sent over the Internet must also comply with the Internet Services policy.

In effort to maintain a desirable working environment, occasional personal use of email is permitted, provided such use does not interfere with employee productivity and is consistent with all other policies.

All electronic mail transported over the Company's mail servers is archived for retrieval at a later time. Outgoing email is also easily identifiable as having originated from the Company. Employees should not use Company email to send any content – business or personal – that they would be unwilling to print on Company letterhead, and send via the U.S. Postal Service. Employees should not expect any non-encrypted email to be private.

All business-related email is to be transmitted using accounts and services provided by the HGI Information Technology Department. Employees shall not use personal email accounts to communicate official business matters with clients, consultants, or vendors.

Employees should be aware of the irrevocable nature of disclosing their email address to others. Company information technology systems provide a level of protection from unsolicited email, but no system is capable of blocking 100% of junk email. The most effective way to prevent such unwanted email is not to disclose addresses carelessly. It is recommended that Company email addresses only be shared with clients, consultants, and established vendors.

18.14 Electronic Discussion Groups

Subscriptions to news groups, mailing lists and similar online communities are permitted when the subscription is for business-related or training purposes. All other subscriptions of this type are prohibited. Employees are prohibited from implying that they are speaking on behalf of the Company in such groups, without prior owner authorization. The Information Technology Department, in its discretion, may restrict access to discussion groups requiring excessive network resources.

18.15 Social Media

At HGI, we understand that social media can be a fun and rewarding way to share your life and opinions with family, friends, and co-workers around the world. However, the use of social media also presents certain risks and carries with it certain responsibilities.

18.15.1 Guidelines

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether or not associated or affiliated with HGI, as well as any other form of electronic communication.

The same principles and guidelines found in the Company's policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects customers, people who work on behalf of HGI or the Company's business interests may result in disciplinary action, up to and including termination.

18.15.2 Know and Follow the Rules

Carefully read these guidelines and this Handbook to ensure your posts are consistent with these policies. Inappropriate postings that may include discriminatory remarks, harassment, and threats of violent or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

18.15.3 Be Respectful

Always be fair and courteous to fellow employees, members, suppliers, or people who work on behalf of HGI. Also, keep in mind that you are more likely to resolve work-related complaints by speaking directly with your co-workers than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparages members, employees, or suppliers, or that may constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, religion, or any other status protected by law or Company policy.

18.15.4 Be Honest and Accurate

Make sure you are always honest and accurate when posting information or news, and if you make a mistake, correct it quickly. Be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that you know to be false about HGI, fellow employees, customers, suppliers, people working on behalf of HGI, or competitors.

18.15.5 Post Only Appropriate Content

- Maintain the confidentiality of HGI trade secrets and private or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies, procedures, or other internal business-related confidential communications.
- Do not create a link from your blog, website, or other social networking site to a HGI website without identifying yourself as a HGI employee.
- Express only your personal opinions. Never represent yourself as a spokesperson for HGI. If HGI is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of HGI, fellow employees, customers, suppliers, or people working on behalf of HGI. If you do publish a blog or post online related to the work you do or subjects associated with HGI, make it clear that you are not speaking on behalf of HGI. It is best to include a disclaimer on such posts such as “The postings on this site are my own and do not necessarily reflect the views of HGI.”

18.15.6 Using Social Media at Work

Refrain from using social media while on work time or on equipment we provide, unless it is work-related as authorized by your manager. Do not use HGI email addresses to register on social networks, blogs, or other online tools visited for personal use.

18.15.7 Retaliation is Prohibited

HGI prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

18.16 Other Internet Services

The Internet will undoubtedly continue to grow and offer new innovation and options in the future. Other services, however, are also carried over the Internet, and are subject to the scrutiny and control of the Information Technology Department. These include, but are not limited to, Virtual Private Networking, the File Transfer Protocol, Instant Messaging, and programs and protocols that allow the sharing of computer resources over the Internet such as BitTorrent, and the “Go to My PC” service.

Many of these services are beneficial and enable users to access resources that enhance their productivity. Without proper oversight and control however, they could reduce productivity, waste costly information technology resources, and allow sensitive or confidential data to be accessed openly over the Internet.

18.16.1 Virtual Private Networking (“VPN”)

HGI provides employee access to its internal information technology resources from the Internet by the use of a VPN connection. A VPN allows users to work from remote locations, yet access internal resources as though they were located inside the office by way of an encrypted tunnel between their system and a company VPN server on the Internet.

All VPN configurations on user systems are provided by the Information Technology Staff, and are compatible with existing VPN servers at HGI. Users should not attempt to modify these settings. Some remote locations have their Internet services configured in a manner that is incompatible with our VPN server. Modifying VPN connection settings will not remedy this, but may make company VPN services unavailable from any location.

Care should be taken to secure remote computer systems and prevent unauthorized access to internal network resources. HGI’s Information Technology Staff should be notified immediately if a user suspects that unauthorized access has occurred.

18.16.2 File Transfer Protocol (“FTP”)

HGI provides FTP services for the purpose of transferring files with clients, vendors, and other associates. This service is password protected, but in a manner that allows ease of use rather than good security practices. Employees should not allow any data to remain in the FTP folders after it has been successfully transferred. Allowing such data to remain may violate client confidentiality agreements, and HGI’s data confidentiality policy.

18.16.3 Instant Messaging (“IM”)

Instant messaging programs allow real-time conversations to occur between two (2) or more remote individuals over the Internet. Instant messaging has enhanced many fields such as education, customer support, and online communities. Instant messaging is not beneficial for every environment, however, and can expose organizations to lost productivity and security concerns due to its Internet file-sharing capabilities.

Instant messaging shall not be used on HGI information technology systems without prior approval and configuration from the Information Technology Department. Such approval will be granted only to meet legitimate business or educational needs. All Instant messaging configurations will have Internet file sharing disabled. For more information on Internet file sharing, see the following section.

18.16.4 Internet File Sharing Programs

Internet file sharing programs are prohibited on any HGI information technology systems. Any software, system configuration, or service that exposes the Company’s information technology systems to the Internet is expressly prohibited unless installed and configured by the Information Technology Staff.

Internet file sharing networks such as BitTorrent and other peer-to-peer networks can seriously compromise an otherwise secure network. Threats such as spyware and Trojan programs can easily be introduced into the Company's network. Peer-to-peer applications, can potentially allow users outside of the Company to gain access to data on the user's computer or even the corporate network, putting the Company's data assets, as well as the user's personal information, at risk. Most peer-to-peer applications allow users to disable file-sharing, but such measures do not prevent threats from being downloaded onto a user's machine.

Much of the materials on peer-to-peer networks have been duplicated from copyrighted materials. Downloading such files places the company at risk of legal action for copyright infringement. File-sharing networks also provide access to material that could be considered offensive, threatening, or contributing to a hostile work environment.

18.16.5 Internet Desktop Sharing Programs and Services

Internet desktop sharing programs and services are prohibited on any HGI information technology systems. Employees who believe that they have a legitimate business need to temporarily access a company computer desktop from the Internet should discuss their need with the Information Technology Staff. Our current technology and infrastructure permit this at no extra cost or increased risks to security.

The HGI Information Technology Department hereby reserves the right to control, monitor, log, record or prohibit all future Internet technologies, and all Internet services, programs or protocols not detailed in this policy or other HGI information technology policies. All data transferred to or from HGI information technology systems is subject to, and shall comply with all information technology, and other organizational policies.

Violations of any Company information technology policies may result in disciplinary action, including, but not limited to termination of employment and criminal prosecution.

18.17 Service Level Agreement and Schedules

HGI's information technology network services are to be available between the hours of 7:30 AM and 6:30 PM business days. Our objective is to provide 100% availability for all core network services during these hours.

- Exceptions to this policy will be made when there is the potential for more lost employee productivity due to data loss, service corruption, or compromised security from postponing maintenance than would result from temporarily halting related services.
- Exceptions to this policy will be made when there is a service interruption beyond the control of the Information Technology Staff, such as the loss of power, or Internet connectivity.

During off hours, services are generally available, but may be intermittent due to maintenance or updates.

Maintenance may be performed on network services and equipment at any time between 6:30 PM and 7:30 AM, and on weekends and company holidays. Whenever possible, users will be notified in advance of unusual service outages during off hours.

Contact the Information Technology Staff for a schedule of regular maintenance activities.

19.0 Business Travel & Expenses

19.1 Business Travel

To promote professional development, your manager may approve attendance at seminars, workshops, and annual meetings. The Company may also require temporary assignments at some distance from your normal place of work. Whatever the purpose of the travel, it must be approved by your manager and travelers are expected to use good business judgment to efficiently manage all trip expenses.

19.1.1 Air Travel

When possible, air travel will be arranged by a member of the administrative staff. Tickets, or electronic ticket confirmation, will be delivered to you prior to departure. Should this not be possible, the employee will secure and pay for the ticket and record the expenditure on his or her expense report. All air travel will be coach or tourist class. Should the employee desire first-class travel, the employee will pay all costs exceeding coach accommodations unless otherwise pre-arranged.

In some cases, the client may provide arrangements for travel, such as booking air transportation and selecting rental cars and hotels. In these cases, the employee will honor the selections of the client.

19.1.2 Passports

Employees will be reimbursed for passport, visa, and related fees when required for Company travel.

19.1.3 Lodging

When possible, hotel reservations should be made prior to traveling. Reservations can be placed by the administrative staff. Hotel selection should be in the moderate category. If schedules change such that lodging reservations will be missed, it is the employee's responsibility to cancel reservations in a timely manner to avoid being billed for unused hotel rooms.

19.1.4 Meals

Meals with clients, prospective clients, and employees to discuss projects or office operations are permitted and are allowable as a reimbursable expense if properly documented. When traveling out of town for the day, meals may be expensed if you are out of town during normal meal hours.

19.1.5 Entertainment

Cost incurred for entertainment will be reimbursed only if it is before or after a business meeting, or if business is conducted during the entertainment. An officer of the Company should first approve all planned entertainment and the expense report must indicate who approved the entertainment expenses and the date.

19.2 Expense Reports & Reimbursement

When travel is completed, employees should submit completed travel expense reports at the same time that week's timesheet is submitted. Your expense report is due by noon on Monday, the week immediately following the time being submitted. Reports should be accompanied by receipts for all individual expenses.

Local mileage shall be calculated from our office to the destination and back. Mileage will be reimbursed at the current IRS standard auto mileage reimbursement rate.

Employees should contact their manager for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issues.

Abuse of this business travel expenses policy, including falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

19.2.1 Allowable Expenses

Employees will be reimbursed for certain actual and reasonable expenses incurred while traveling or otherwise performing services for the Company. Expenses to be reimbursed include travel, meals, tips, lodging, parking, automobile rental, taxis or personal auto mileage, and other similar expenses directly related to your work for the Company. All expenses must be reported on weekly expense reports due on each following Monday at noon.

19.2.2 Personal Vehicles

When it is necessary for you to use your own car on Company business, HGI will reimburse you at the current IRS rate for mileage reimbursement. HGI prefers that you use a rental car rather than your personal vehicle for trips that will exceed approximately 300 miles round trip, or where the mileage reimbursement amount for personal vehicle use will significantly exceed the total cost of renting a car. Use of your personal vehicle for trips that will exceed 300 miles round trip require the prior approval of your manager.

The Company does not provide insurance coverage for personal cars being driven on Company business. All employees who use their own cars on Company business must carry personal insurance.

19.2.3 Cellular Phones

In the interest of the safety of our employees and other drivers, we discourage employees from using cell phones while driving on Company business. If your job requires that you keep your cell phone turned on while you are driving, it is strongly recommended that a hands-free device is used or safely pull off the road before conducting Company business.

Employees who are provided a Company cell phone may use the phone for personal reasons only for short calls as necessary or in the case of an emergency.

19.2.4 Company Credit Cards

A Company credit card may be issued to employees who travel significantly for business and when approved by management. This will be evaluated on an individual basis.

No personal charges will be allowed on the Company credit card. If a Company credit card is accidentally used for personal charges, please make arrangements with the Finance Department for reimbursement immediately. Any misuse or non-reporting of expenses will be reason for immediate termination of the credit card.

Thank you for reading our Employee Policy Manual

Hopefully, you have a better understanding of the numerous legal compliance concerns set forth by both federal and state authorities as well as HGI operating expectations.

In closing, this Manual was designed with the intent to build the most powerful employment relationships possible. We want employees who are trustworthy, share in our values, vision, mission, and goals, communicate well, and are committed to the careers, teams, and the Company.

Very truly yours,
HARRINGTON GROUP, INC.

ACKNOWLEDGMENT OF RECEIPT AND REVIEW

I acknowledge that I have received my personal copy of the HGI Employee Policy Manual. In consideration of my employment with the company, I agree to observe and abide by the conditions of employment, policies, and rules contained in this Manual. I also understand and agree to company policies set forth. I understand that from time to time, circumstances will require that the policies and procedures described in this Manual to be amended or modified by the company. All effective changes will be placed in writing and may occur at any time, with or without prior notice.

I further understand and agree that my employment is entered into voluntarily and at all times shall remain "at will". Just as I am free to resign at any time and for any reason, the company is free to terminate my employment at any time, for any reason.

I understand that the terms and conditions set forth in this Manual represent the entire understanding between the company and me and that this understanding cannot be amended or altered in any way by oral statements made to me. The only way in which any understanding set forth in this Manual can be altered is by written agreement signed and dated by an officer or director of the company.

I have been given an opportunity to ask questions regarding this Manual. I understand that I sign this Acknowledgment of Receipt and Review without duress or misunderstanding. One copy of this Acknowledgment of Receipt and Review must remain in this Manual at all times. The other copy will be placed in my personnel file.

Date:

Signature of Employee

Print Name