

EMPLOYEE HANDBOOK

A. INTRODUCTORY STATEMENT

This Employee Handbook (“Handbook”) contains information regarding many of the policies and procedures of Power Home Remodeling Group (hereafter referred to as “PHRG” or the “Company”).

Before you read this Handbook, it is important for you to understand its purpose and significance. This Handbook is a general guideline voluntarily adopted by the Company for informational purposes only. It is not intended to and does not create an express or implied contract of employment or any other contractual rights, obligations or liabilities.

Because the Handbook is not a contract, it does not contain any promises by the Company and the Company is not contractually or otherwise legally bound by it. More specifically, the Handbook should not be considered as or relied upon by employees as establishing terms and conditions of employment.

Please appreciate the Company reserves the right to interpret the policies, rules, benefits, sections and provisions contained in the Handbook as it deems appropriate in its sole discretion. The Company also reserves the right, in its sole discretion, to amend, modify, change, cancel, terminate or withdraw any or all of the policies, rules, benefits, sections and provisions of this Handbook at any time and for any or no reason and with or without prior notice. Departments within the Company may have additional policies and procedures as well. This version of the Handbook supersedes all prior versions of the Handbook.

PHRG values the many talents and abilities of its employees and seeks to foster an open, cooperative and dynamic environment where employees and the Company alike can thrive. If you would like further information or have questions regarding any policies and procedures outlined in this Handbook, please feel free to bring them to the attention of Human Resources.

At-Will Employment

WE HOPE THAT YOU WILL FIND THE COMPANY A GOOD PLACE TO WORK. HOWEVER, BECAUSE YOUR EMPLOYMENT IS AT-WILL, YOU ARE NOT GUARANTEED EMPLOYMENT OR ANY PARTICULAR JOB OR TYPE OF WORK FOR ANY SPECIFIED PERIOD OF TIME.

MORE SPECIFICALLY, BECAUSE YOUR EMPLOYMENT IS AT-WILL, BOTH YOU AND THE COMPANY HAVE THE RIGHT TO TERMINATE YOUR EMPLOYMENT AT ANY TIME AND FOR ANY OR NO REASON AND WITH OR WITHOUT PRIOR NOTICE. WHILE THE COMPANY MAY FOLLOW A DISCIPLINARY PROCESS FROM TIME TO TIME, NOTHING IN THIS HANDBOOK OR ITS APPLICATION SHALL RESTRICT THE RIGHT OF THE COMPANY TO TERMINATE EMPLOYEES AT WILL.

No representative of the Company (other than an Officer, in writing) has the authority to enter into any agreement for employment for any specified period of time, to guarantee any particular position for any specified period of time or to make any promises with respect to compensation, promotional opportunities or any other term or condition of employment.

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Appendices

- Exhibit A: Acknowledgement of Receipt and Alternative Dispute Resolution Agreement

B. NEW EMPLOYEES

1. Orientation

New employees are required to sign the “Confidential Information, Intellectual Property and Restrictive Covenant Agreement.” They will also receive an electronic copy of the Handbook and will have the opportunity to ask Human Resources any questions they may have concerning any policies or procedures for which they desire clarification. The signed copies of the “Acknowledgement of Receipt of the Employee Handbook” (Exhibit A) and the “Confidential Information, Intellectual Property and Restrictive Covenant Agreement” will be placed in the employee’s personnel file.

2. Immigration Law Compliance

PHRG will not knowingly hire anyone who is not authorized to work in the United States, pursuant to the Immigration Reform and Control Act of 1986. As a condition of employment, all current and new employees must provide valid proof that they are eligible to work in the United States.

In accordance with federal law, both new employees and re-hired employees will be required to provide documentation of identity and eligibility to work in the United States. The I-9 form will be used for this purpose. PHRG participates in the E-Verify Program through the federal government. PHRG will provide the Social Security Administration (SSA) and, if necessary, the Department of Homeland Security (DHS), with information from each new employee’s Form I-9 to confirm work authorization.

3. Criminal Background and Motor Vehicle Records Checks

After receiving a conditional offer of employment, all employees will be required to consent to a criminal background check and a check of their motor vehicle record, as well as a credit record check for certain positions. PHRG reserves the right, consistent with applicable law, not to hire an applicant, or retain an existing employee, if the background check, motor vehicle record or credit record reveals information, violations or a criminal offense that the Company reasonably believes relates to the applicant’s or the employee’s fitness for the position in question. Before any employment decision is made, the nature of the offense and circumstances surrounding the offense will be considered and a pre-adverse action notice will be provided, to give the employee the opportunity to refute the accuracy of the background check results.

Please note that a prospective or current employee’s failure to disclose an active warrant or criminal conviction is grounds to rescind an offer of employment or terminate employment with the Company.

C. EQUAL EMPLOYMENT OPPORTUNITY POLICY

1. Non-Discrimination Policy

PHRG is an equal opportunity employer, committed to hiring a diverse and talented workforce. PHRG is committed to providing equal employment opportunities to all individuals without regard to race, color, religion, creed, ancestry, citizenship, immigrant status, national origin, age, disability, genetic information, gender, gender identity, sexual orientation, marital status, pregnancy, veteran status, military status, or other characteristics protected by law. This policy applies to all Company employees, including officers, managers, and supervisors.

PHRG will make reasonable accommodations for qualified individuals with known disabilities unless doing so would constitute an undue hardship for the Company. An employee with a disability for which a reasonable accommodation is needed should contact Human Resources to discuss possible accommodations.

2. Non-Harassment Policy

PHRG endeavors to maintain a work environment that fosters respect for the dignity of each individual. It is against Company policy for an employee to harass, discriminate against, or engage in other inappropriate conduct towards another person because of the person's race, color, religion, creed, ancestry, citizenship, immigrant status, national origin, age, disability, genetic information, gender, gender identity, sexual orientation, marital status, pregnancy, veteran status, military status, or other characteristic protected by law.

It is against Company policy for an employee to harass or engage in other inappropriate conduct towards another person on the basis of a protected characteristic. Unwelcome actions, words, jokes or other verbal or physical conduct based on such characteristics will not be tolerated. This policy applies to all Company employees, including officers, managers, and supervisors.

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made, either explicitly or implicitly, a term or condition of an individual's employment or continued employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or work environment. Examples of behavior that could result in sexual harassment include:

- Leering, i.e., staring in a sexually suggestive manner;
- Making offensive remarks about looks, clothing, body parts;
- Touching in a way that may make an employee feel uncomfortable, such as patting, pinching or intentional brushing against another's body;
- Telling sexual or lewd jokes, hanging sexual posters, making sexual gestures, etc.;
- Sending, forwarding or soliciting sexually suggestive letters, notes, e-mails, or images.

Workplace harassment, other than sexual harassment, includes any unwelcome actions, verbal or physical conduct, taken to intimidate, offend and/or harass an individual in the workplace on the basis of their membership in a protected class. Examples of behavior that could result in workplace harassment include:

- Use of racially derogatory words, phrases, epithets;
- Demonstrations of a racial or ethnic nature such as a use of gestures, pictures or drawings which would offend a particular racial or ethnic group;
- Comments about an individual's skin color or other racial/ethnic characteristics;
- Making disparaging remarks about an individual's gender (even if such comments are not sexual in nature);
- Negative comments about an employee's religious beliefs or lack of religious beliefs;
- Expressing negative stereotypes regarding an employee's birthplace or ancestry;
- Negative comments regarding an employee's age;
- Derogatory or intimidating references to an employee's mental or physical impairment.

Employees with questions or concerns about any type of harassment, discrimination, retaliation or other inappropriate conduct in the workplace are encouraged to bring these issues to the attention of their direct manager or Human Resources. Employees can raise concerns and make good faith reports of harassment or discriminatory or retaliatory conduct without fear of reprisal. Anyone found to be engaging in any type of unlawful or inappropriate conduct will be subject to disciplinary action or termination of employment. Any employee who believes that he or she is being unlawfully discriminated or retaliated against or harassed should: (1) tell the other person that his or her actions are not welcome and they must stop, if they feel comfortable enough to do so; (2) report the incident immediately to your supervisor/manager and/or Human Resources; (3) report any additional incidents or retaliation that may occur to Human Resources.

3. Policy Prohibiting Retaliation

The Company will neither engage in nor tolerate unlawful retaliation of any kind against any person who makes a complaint of unlawful discrimination, harassment, retaliation or other inappropriate conduct, serves as a witness or otherwise participates in the investigatory process. The Company also will neither engage in nor tolerate unlawful retaliation against someone who is associated with any person who makes a complaint.

Prohibited retaliation includes adverse tangible employment actions, such as denial of a raise or promotion. It also may include, in some circumstances, other material changes in the terms and conditions of employment, such as work assignments, if the changes are a product of a retaliatory motive. Prohibited retaliation also may include adverse actions independent of the workplace, such as trying to exclude an employee from membership in an outside professional organization because of a complaint he or she made at work.

It is no defense to retaliation by any person (officer, manager, supervisor, etc.) that the complaint did not have legal merit. Generally speaking, so long as an individual acts in good faith in making a complaint alleging unlawful discrimination, harassment, or retaliation, serving as a witness or otherwise participating in the investigatory process, no adverse action can be taken

against him or her because he or she made the complaint, served as a witness, or otherwise participated in the investigatory process.

Prohibited retaliation will be handled under this policy in the same manner and subject to disciplinary/corrective action to the same degree as any other violation of this policy.

4. The Investigation Process

When PHRG management receives a complaint of harassment, discrimination, retaliation, or other inappropriate conduct, management will meet with all involved employees or other parties to gather information and investigate the situation. If a resolution cannot be developed at a management level, Human Resources will conduct a series of separate interviews. Typically, the Human Resources investigation will include interviews with the employee filing the complaint, any witnesses or other employees with relevant information, and the alleged wrongdoer. We expect all employees who are asked to participate in an investigation to cooperate and encourage them to maintain confidentiality. When the Company has completed its investigation, it will, to the extent appropriate, communicate its findings to the employee who raised the complaint and the alleged wrongdoer.

5. Dating Policy

To ensure an environment appropriate for effective business operations and to avoid actual, potential, or perceived favoritism, the Company has a policy which prohibits supervisors, managers and officers from having, or seeking to establish, certain “intimate relationships.” The term intimate relationship, for purposes of this policy, includes any romantic and/or sexual relationship. The term includes romantic and/or sexual relationships, regardless of marital status, domestic partner status, or civil union status. Intimate relationships do not include purely platonic social friendships.

Officers of the Company are prohibited from having, or seeking to establish, an intimate relationship with any employee of the Company. Supervisor and managers are prohibited from having, or seeking to establish, an intimate relationship with any employee whom they directly supervise or who is in their “chain of command,” even if they do not directly supervise them. An officer, manager, or supervisor must contact Human Resources immediately if he or she has an intimate relationship in violation of this policy.

Where an intimate relationship exists or develops in violation of this policy, the Company will make reasonable efforts to transfer one of the two employees, or take other steps it deems reasonable and necessary, subject to existing business and other appropriate considerations. Where the Company concludes that a transfer of one of the employees is not practical for business or other reasons, the employees will be offered the opportunity for one of them to discontinue his or her employment voluntarily. However, the Company retains the right to make the final decision as to which employee’s employment shall terminate.

With regard to intimate relationships which are not prohibited by this policy, the following guidelines apply:

- If you ask an employee or non-employee with whom you come into contact in the course of your employment for a date and the person says “no,” you cannot ask him or her again. Nor can you retaliate against him or her in any way. If you ask again or retaliate in any way, you will be subject to severe disciplinary action, up to and including the termination of your employment.
- Conversely, if an employee or non-employee with whom you come into contact in the course of your employment asks you out on a date, while you have a right to say “yes,” you also have an absolute right to say “no.” Consequently, if you feel any unwelcome pressure to become involved with any officer, manager, supervisor, employee or non-employee with whom you come into contact in the course of your employment with the Company, we urge you to use the complaint procedure set forth below. In the absence of a complaint pursuant to the procedure which follows, the Company will assume that any relationship entirely consensual and welcome.
- Finally, there may be times when an intimate relationship exists that does not violate this policy but involves a situation where one employee may make discretionary decisions which could affect the other employee. In these circumstances, the person with the decision-making authority must check with Human Resources before making any discretionary decisions specific to the other employee. If you have any doubt about whether you need to consult with Human Resources, play it safe and consult.

6. Sanctions for Non-Compliance with the EEO Policy

Allegations of non-compliance with the Company’s EEO Policy will be vigorously and immediately investigated. If it is determined that an employee violated the Company’s EEO Policy, the employee may be subject to disciplinary action, an unpaid period of suspension (subject to applicable law) or termination.

D. GENERAL POLICIES AND PROCEDURES

1. General Standards of Conduct and Ethics; Investigations

PHRG expects that all employees conduct themselves in a professional and ethical manner. An employee should not conduct business that is unethical in any way, nor should an employee influence other employees to act unethically. Further, an employee should report any unethical or dishonest activities to the Company or its employees, to an appropriate supervisor or management.

In the event that you become aware of another employee’s behavior or actions, which you believe are unethical, illegal, or in any way inhibit or affect your job performance or the PHRG work environment, you have a responsibility to report this information in an immediate manner. You should discuss such behavior or actions with Human Resources or appropriate management employees. Employees are expected to cooperate fully and honestly in any investigations conducted by the Company of alleged unlawful, unethical, unsafe, improper behavior. Failure to cooperate may be cause for disciplinary action up to and including termination. Any employee who knowingly and in bad faith provides false, incomplete or misleading information as part of a

complaint or investigation (whether such employee is the complainant, the accused or a witness) will be subject to disciplinary action up to and including termination.

All good faith reports of such concerns will be promptly, thoroughly, and confidentially investigated by PHRG and, where necessary, appropriate corrective action will be taken.

2. Employees' Protected Rights

Employees have a right to discuss vigorously their wages and other terms and conditions of employment. Nothing in this Handbook is intended to or shall be interpreted as interfering with the right of employees to discuss their wages and other terms and conditions of employment.

However, like all other rights, the employee's right to discuss their wages and other terms and conditions is not absolute. By way of example only, an employee cannot threaten someone with physical harm or use language inconsistent with our EEO Policy in discussing, debating or disagreeing over their wages and other terms and conditions of employment.

This policy does not apply to individuals who, under federal labor law, are supervisors or managers.

3. Confidential Information

PHRG employees are prohibited from disclosing information to third parties considered to be confidential by PHRG, and in connection therewith, the Company requires new employees to sign a "Confidential Information, Intellectual Property and Restrictive Covenant Agreement."

Confidential Information includes, but is not limited to: (a) business, manufacturing, marketing, legal and accounting methods, policies, plans, procedures, strategies, and techniques; (b) information concerning the Company's earnings, production volumes, and methods for doing business; (c) research and development projects, plans, and results; (d) trade secrets, including research and development doctrine and the formulas, methods, processes, standards, and devices associated with the Company's manufacturing and production activities; (e) the names and addresses of the Company's vendors, suppliers, and contractors; (f) customer lists and the names, addresses and telephone numbers of the Company's customers and prospective customers, as well as their preferences, buying practices, and other habits; (g) pricing, margin, credit, and other financial information, including costs, profits, markets, methods, policies, plans, procedures, strategies, and techniques; and (h) any and all other data or information relating to the operations and business of the Company that is not known generally by and readily accessible to the public. Confidential Information shall not include information that is generally known by or readily accessible to the public through no fault of the employee or anyone acting in concert with employee.

Any questions about the Company's confidentiality policy should be addressed to Human Resources.

4. Conflicts of Interest

PHRG requires employees not compromise the Company's interests, or those of its customers, partners or suppliers, for personal gain. Examples of conduct prohibited under the Company's conflict of interest policy include, but are not limited to, working for or on behalf of a competitor of PHRG during the term of your employment with the Company, accepting gifts worth more than twenty-five dollars (\$25.00), requesting or granting favors, conducting business for personal gain, having financial interests in or loaning money to customers, suppliers, or vendors; soliciting gifts or anything of value from customers, suppliers, or vendors; use of the Company name for any outside activities; giving or promising to give any gifts or items of value to any governmental official. Employees are required to disclose all potential or actual conflicts of interest to a supervisor. Failure to do may result in disciplinary action, up to and including termination.

5. Policy on Reporting Suspected Illegal or Unethical Behavior

We expect all of our employees and business partners to conduct themselves lawfully and ethically when representing the Company or doing any work on behalf of the Company. This includes, but is not limited to, complying with all federal, state and local laws, statutes, rules and regulations. The Company will neither engage in nor tolerate unlawful or unethical behavior with regard to any of its policies, practices or operations.

If you believe that any employee of the Company, or any other individual or entity performing work for the Company, has engaged in illegal or unethical conduct of any kind, immediately contact Vice President of Human Resources Deirdre Collins, 610-874-5000, extension 2495, dcollins@powerhr.com.

The Company will: (1) Conduct a prompt and fair investigation; (2) Disclose allegations only to the extent necessary to conduct the investigation/ take corrective action (keeping the allegations as confidential as possible); (3) Take corrective action with respect to any employee or non-employee who has engaged in illegal, unethical, and/or inappropriate behavior, including discipline up to and including termination of the employment or other relationship; and (4) Not tolerate any unlawful retaliation against anyone who makes a complaint, serves as a witness or otherwise participates in the investigation.

If you are not entirely satisfied with how your report has been handled, please contact Chief Financial Officer Alfred Ferraioli, 610-874-5000, extension 2274, aferraioli@powerhr.com, so that he can look into your concerns immediately. Your appeal should be in writing to help ensure that it is clear that you wish to appeal. While we encourage you to be detailed, it is sufficient to say "I wish to appeal my complaint of suspected illegal/ unethical behavior."

6. Personnel Files

PHRG maintains electronic personnel files on all of its employees. These files are confidential in nature, and are managed by Human Resources. An employee may view his or her personnel file by contacting Human Resources during normal business hours. No employee may alter or remove any document in his or her personnel file.

7. Employment of Relatives

Employment of relatives is not prohibited by PHRG, provided that the following conditions are met: (1) the applicant is qualified for the position, (2) the employee and relative will not be in a direct reporting relationship with one another, and (3) the personal relationship will not adversely affect the workflow or processes of the Company. In the event that the employment of relatives becomes disruptive or otherwise has a negative impact on the Company's business operations, PHRG reserves the right to take appropriate corrective action, including but not limited to reassignment or termination of one or more of the involved parties, as may be reasonably necessary in the Company's sole discretion.

8. Emergency Closings and Severe Weather

Unless notified by your supervisor or Company management, you are expected to report to work on all regularly scheduled days, regardless of weather conditions. If you are unable to report to work due to severe weather conditions that make travel to work dangerous, you must notify your supervisor as soon as possible. If your office will be closed due to the weather or an emergency, your manager or another member of management will contact you.

9. Reporting Changes

You are responsible for promptly notifying Human Resources and Payroll of any change in your name, address, telephone number, citizenship, tax withholding allowances, emergency contact information, insurance beneficiary, or (to the extent related to company sponsored benefits) marital status and/or dependent insurance coverage. Accurate and correct information is vital for benefits and insurance records and other Company files.

10. Technology and Electronic Surveillance Policy

Employees of the Company have no reasonable expectation of privacy in the Company's technology and communication systems.

PHRG recognizes that use of the telephone, Internet and e-mail has many benefits for the Company and its employees. Because use of telephone, Internet and e-mail can make communication more efficient and effective, employees are encouraged to use this technology in furtherance of the Company's business activities. However, certain usage of this technology in the workplace, in particular, the Internet and e-mail, is inappropriate and can place PHRG and others at risk. With this in mind, PHRG has established this Technology and Electronic Surveillance Policy that sets forth, among other things, acceptable and prohibited usage of this technology. The Company has the right to monitor such usage by viewing any Company e-mail or other methods of communication on company property, including instant messaging and internal/external telephone calls, without notice to the individual.

Telephone Call Recording Policy

Telephone calls may be monitored or recorded for quality control purposes and to ensure that there is no improper use of the Company's telephone equipment. We hope to protect employees

from abusive calls, protect customers from abusive employees and ensure that the telephone calls being made and received are of a professional nature.

Prohibited Uses

The following uses of the Company's telephone, Internet, or e-mail systems (together, the "Company Technology") shall be considered a violation of this policy and will subject the offender to disciplinary action, up to and including termination:

1. The use of Company phones for personal calls during work hours, while not on a break or lunch is prohibited. Long distance personal phone calls from a Company phone are prohibited at any time. In the case of an emergency, consult with your manager regarding personal calls during your normal working hours.
2. Use of the Company Technology to transmit, view, retrieve, or store any communication of a defamatory, discriminatory or harassing nature or materials that are obscene or pornographic.
3. Transmission of any message or communication that violates the Company's Equal Employment Opportunity Policy.
4. Engaging in any illegal activity via the Company Technology, including but not limited to, piracy, cracking, extortion, blackmail, copyright infringement, gambling, or making unauthorized access to any computer or network.
5. Any use of the Company Technology that disrupts its use by others for legitimate business purposes.
6. Making of personal long distance/ toll calls from Company telephones without prior approval of management.
7. Sending, or attempting to send, e-mail or other electronic communications via the Company Technology that hides the identity of the sender or represents the sender as someone else.
8. Downloading or installing any programs or files of any nature (including but not limited to computer games), whether or not business related, onto a Company computer without the prior consent of the Information Technology Department.

Guidelines for Appropriate Technology Usage

In order to ensure the Company Technology is used in an appropriate, ethical and professional manner, in addition to refraining from the Prohibited Uses set forth above, all use of the Company Technology is made subject to the following guidelines and requirements:

1. All employees are responsible for the content of all text, audio, or images that he/she receives or transmits using the Company Technology. As PHRG's name appears on all e-mails sent via the Company's network, individuals must use discretion in formulating messages.
2. E-mail is not guaranteed to be secure, private, or confidential. All electronic communications using the Company Technology are the property of PHRG. Therefore, the Company reserves the right to examine, monitor, and regulate voice mail and e-mail messages, directories and files, as well as the Internet usage of all employees without prior notice, even if protected by a password.
3. The Company's electronic mail and voicemail systems are intended for job-related purposes. As such, personal use should be kept to a minimum.
4. Internal and external e-mail messages are considered business records and may be subject to discovery in the event of litigation involving PHRG. Be aware of this possibility when sending e-mail both within and outside the Company.
5. All passwords for system and computer login will be constructed per regulations of the Information Technology Department.
6. All employees with access to the Company Technology will be held responsible for the actions taken on their computers, whether by them or inadvertently by others. Accordingly, all employees are responsible for keeping all login and passwords secure and private.
7. Individuals who believe the security of their login or password has been compromised should inform the Information Technology Department immediately to avoid any adverse action and to arrange for the resetting of the compromised login and password.
8. Employees are not permitted to access or retrieve any stored e-mail or voicemail communication of another employee or third party unless they have received prior permission from an authorized Company representative.
9. Employees who require any additional software or tools to be installed on their computers in order to perform their assigned duties for the Company must submit a request to the Information Technology Department.
10. Telephones are provided to enable employees to carry out their work assignments in an efficient manner. Accordingly, personal telephone calls must be kept to a minimum. Employees are further cautioned that PHRG reserves the right to monitor any telephone communications, including voicemail, made using the Company Technology (whether or not protected by a password) without advance notice and consistent with applicable state and federal laws.

Employees that fail to abide by the above guidelines or, in the Company's reasonable opinion, are found to have used the Company Technology in a manner inconsistent with the Company's business operations, may be denied further access to the Company Technology and will be subject to disciplinary action, up to and including termination.

Questions

If you have questions regarding anything stated in this policy or the appropriate or acceptable use of any Company Technology, please contact the Vice President of Human Resources or the Chief Information Officer.

11. Social Media Policy

The Company welcomes employees to participate in Social Media and we expect everyone who participates in online commentary to understand and to follow these simple but important guidelines. These policies and guidelines apply to Company employees who create or contribute to blogs, wikis, social networks, virtual worlds, or any other kind of Social Media for business or personal use. Whether you log into social media sites such as Twitter, LinkedIn, Yelp, Wikipedia, Facebook or any other similar sites, or comment on online media stories, these guidelines are for you.

All social networking, whether professional or personal, is subject to other Company policies, including, but not limited to: Equal Employment Opportunity (which includes our anti-harassment policy), Confidentiality, and policies governing the acceptable use of technology and communications systems.

With regard to all social networking, whether personal or professional, you may not use or disclose confidential and/or proprietary information, which you acquired or developed in the course of your employment with the Company. This includes, but is not limited to: trade secrets, business plans, project pursuits, finances, business prospects and/or partnerships, and confidential customer or prospective customer information.

With regard to all social networking, whether personal or professional, postings that harass, stereotype, belittle, make fun of or denigrate any "protected group" (e.g., race, sex or religion) violate this policy, as well as our anti-harassment policy, if they are about employees or others with whom the Company does or may do business or become known by employees or others with whom the Company does or may do business.

Always keep in mind that you are legally responsible for your postings. For example, avoid postings that are obscene, violent, harassing, disparaging, defamatory or threatening.

Similarly, always be fair and courteous to fellow employees, clients, suppliers, or people who work on behalf of the Company. Also, keep in mind that we believe you are more likely to resolve work related complaints by speaking directly with your co-workers or by utilizing the Company's Open Door Policy, speaking with Human Resources or using other internal complaint procedures than by posting complaints to social media. 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 disparage employees, clients, or suppliers, or that might 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.

12. Policy Prohibiting Recording Devices In The Workplace

As a general rule, visual recording devices and sound recording devices belonging to or being used by employees and/or visitors are not permitted on the Company premises. Employees are further prohibited from recording conversations, phone calls, or other activities in the workplace, or for arranging for or assisting other (employees or non-employees) to do so.

For purposes of this policy, the following definitions apply:

Visual recording devices includes, but are not limited to, cameras, video cameras, cellular camera phones and any other device which is capable of taking, storing, or displaying a visual picture, whether in real time or time delayed.

Sound recording devices includes, but are not limited to, tape recorders, video camera with audio components, and/or any other device which is capable of capturing, storing or playing sounds.

Company premises includes, but is not limited to, the facilities, buildings, parking areas, surrounding grounds, and motor vehicles owned or leased by the Company.

Under certain limited circumstances, designated Company officials may authorize, in writing, the use of visual recording devices and sound recording devices by employees for specific legitimate business purposes. In such instances, the designated Company official will ensure that the appropriate consent to the recordings, where applicable, has been obtained.

An employee who violates the policy will be subject to appropriate disciplinary action, up to and including immediate termination.

This policy applies not only to all employees but also to all visitors at any time they are on Company premises as defined above.

13. Workplace Attire

PHRG's dress code requires business attire for all employees working in the office locations. In addition, employees are to dress in appropriate business attire when meeting with clients or vendors, whether at PHRG's offices or at other locations. In all cases, employees are expected to use good judgment and taste, and to show courtesy to their co-workers and associates by dressing in a fashion that is both presentable and appropriate. In general, male employees are expected to wear a collared shirt and tie and female employees are expected to dress in a similarly professional fashion. Beyond that, please use the following guidelines:

a. Slacks, Pants, and Suit Pants

Slacks that are similar to Dockers and other makers of cotton or synthetic material pants, wool pants, and pants that match a suit jacket pants are acceptable. Inappropriate slacks or pants include any that are too informal. This includes jeans, sweatpants, exercise pants, Bermuda shorts, shorts, bib overalls, leggings, and any spandex or other form-fitting pants such as people wear for exercise or biking.

b. Skirts, Dresses, and Skirted Suits

Dresses, skirts, skirts with jackets, dressy two-piece knit suits or sets, and skirts that fall at or below the knee are acceptable. Skirts that fall well above the knee are not permissible. Mini-skirts, skorts, sun dresses, beach dresses, and tank or spaghetti-strap dresses are inappropriate for the office.

c. Shirts, Tops, Blouses, and Jackets

Dress shirts and sweaters (with ties for men) are acceptable attire for work if they contribute to the appearance of formal, professional dress. Most suit jackets or sport coats are also desirable attire for the office. Inappropriate attire for work includes denim jackets; tank tops; midriff tops; shirts with offensive words, terms, logos, pictures, cartoons, or slogans; halter-tops; tops with plunging necklines; sweatshirts; and t-shirts.

d. Shoes and Footwear

Conservative walking shoes, dress shoes, oxfords, loafers, boots, flats, dress heels, and backless heeled shoes are acceptable for work. Athletic shoes, tennis shoes, thong sandals, flip-flops, flip-flop type sandals with a heel, espadrilles, slippers, and any casual shoe with an open toe are not acceptable in the office.

e. Accessories and Jewelry

Tasteful, professional ties, scarves, belts, and jewelry are encouraged. Jewelry should be worn in good taste. Visible body piercing is prohibited, with the exception of limited ear piercing. Excessive visible tattoos are also prohibited.

f. Makeup, Perfume, and Cologne

A professional appearance is encouraged. Remember that some employees are allergic to the chemicals in cologne, perfumes and makeup, so please wear these substances with restraint.

g. Hats and Head Covering

Hats are not appropriate in the office. Head coverings that are required pursuant to a bona fide religious practice or to honor cultural tradition are allowed as approved by your manager.

14. Smoking, E-Cigarettes and Tobacco Use

PHRG is committed to maintaining a smoke-free and tobacco free workplace. There will be no smoking, use of e-cigarettes or use of tobacco products, including use of chewing tobacco, tolerated in the building or on the Company's premises, except in the designated smoking area outside of the building. Employees are further advised that smoking, use of e-cigarettes or use of chewing tobacco in company vehicles, at retail locations, at marketing events or while present at the home of a customer or prospective customer is also strictly prohibited. Smoking cessation information is available. Please see Human Resources for information.

15. Food and Beverages

PHRG sometimes has visitors in the office, and as such, the Company's office should always reflect a professional appearance. Eating lunch is permitted only in the building's cafeteria or designated lounge areas in the building. Eating is permitted at your desk at the discretion of your manager. Drinks are permitted at desks and in the employee lounge. Employees are expected to maintain the work environment for everyone and should clean all spills, crumbs, coffee cup stains, etc., whether they are yours or not. All employees are personally responsible for keeping the area around their workstation clean and presentable. Employees are also responsible for returning meeting areas used for lunch or breaks to a clean and presentable condition after use.

16. Visitors

Only customers and authorized visitors are permitted at PHRG's offices. Persons who are not employees of the Company will not be permitted to enter the premises for the purpose of selling products or services, making solicitations, collecting for charitable causes, or distributing literature. This policy is in place to minimize workplace disruption as well as to protect the Company from theft or frivolous lawsuits. Visits from friends and family should be kept to a minimum, and should not exceed fifteen (15) minutes. Employees are responsible for the conduct of their guests.

All visitors must enter through the reception area. Any employee who discovers an unauthorized visitor on Company property should notify his or her supervisor immediately.

17. Use of Company Vehicles

All persons using a Company vehicle must adhere to the safety and all other policies in the Corporate Fleet Safety Program, which can be obtained from Human Resources or the Company's Fleet Manager.

Company vehicles are to be used for business purposes only. Operations employees are permitted to take assigned vehicles home at the end of the working day. Company vehicles should only be used in connection with work travel and commuting between your home and the job sites. Company vehicles must remain parked and secured at the Operations employee's place of residence when taken home. Marketing employees may not take vehicles home at the end of the working day and these vehicles must be returned each night to the employee's office and parked at that location.

Employees with Company vehicles will be issued a gas card and an EZ Pass. These items are also strictly for business purposes. Use of the gas card or EZ Pass for personal purchases will result in disciplinary action up to and including termination. Employees will be required to repay all amounts for personal purchases to the Company. Employees will be issued individual driver identification numbers. These numbers are not to be revealed to any other employee other than the employee's supervisor. Employees are not to use another employee's driver ID number.

Employees who are in an accident or receive a ticket or moving violation must report this to their direct manager immediately, whether it occurred on Company or personal time. Employees will be required to pay any fines or costs associated with any such violations. Failure to do so will result in disciplinary action up to revocation of driving privileges or termination of employment.

All persons using their own vehicle must adhere to safe driving practices, including but not limited to wearing their seat belts, obeying all traffic rules, and restricting cell phone use.

18. Cell Phone Policy

Some states have laws that impose specific terms and conditions on cell phone use. Employees must comply with such laws when driving in such states during working hours or while conducting business on behalf of the Company (even if not during working hours). Further, even where not required by state law, the Company requires employees to comply with the following specific rules regarding cell phone use while driving a motor vehicle:

During working hours or while conducting business on behalf of the Company (even if not during working hours), an employee who drives a motor vehicle:

- may not use a hand held cell phone, except as provided for below.
- may use a hands-free cell phone.

An employee may use a hand held cell phone while driving a motor vehicle during working hours or while conducting business on behalf of the Company (even if not during working hours) under the following limited circumstances:

- to activate, deactivate or initiate a function of such telephone.
- to contact the police or other emergency personnel in the event of an emergency.

A cell phone will be considered hands-free if it can be used without the driver holding it with either hand, for example, it is attached to the car, it is connected to a headset worn by the driver without holding the phone, or the phone has Bluetooth capability and can be used without being held.

While employees are not prohibiting from using cell phones in the workplace, employees should make sure that such use does not interfere with their work or the work of others. Personal calls should be kept to a minimum. In addition, the cell phone should be programmed so that notification of incoming calls is heard only by the employee with the cell phone and not others around him or her.

19. Expense Reimbursement

PHRG will reimburse employees for reasonable, pre-approved business expenses only. All expense reimbursement requests must be submitted using the required expense form and approved by the employee's supervisor prior to submission to management for reimbursement. All reimbursement for gas costs for work related travel in a personal vehicle will be based on mileage at the current IRS rate of reimbursement. Receipts must accompany all expense reimbursement requests.

20. Use of Company Property

Depending on your position within the Company, employees may be provided with a laptop, computer, electrical equipment, and/or tools for use in their positions. All of this equipment, as well as in-office equipment, including, but not limited to, desks, file cabinets, lockers, computers (and all files stored thereon or on related storage media), and vehicles, are the property of PHRG, and must be available for search by management at all times. Accordingly, the use of personal locks on any such Company property is strictly prohibited. The Company reserves the right to conduct workplace searches without prior notice to investigate theft or misuse of Company property, a violation of PHRG's policies prohibiting drugs, alcohol, or weapons in the workplace, violations of the Company's EEO policy, the unauthorized disclosure of confidential information, or any other purpose, consistent with applicable law.

Company property may not be used to store an employee's personal files or items. Furthermore, no Company equipment, including computers, photocopiers or printers may be used for personal business.

Employees who are issued a vehicle or other equipment, including computer equipment and/or tools, will be required to sign an Equipment Agreement and a Promissory Note, documenting the replacement value of the equipment. If an employee fails to return the equipment within 5 days of their separation from employment, the replacement value of the equipment will be deducted from their final pay, consistent with applicable law, per the terms of the Equipment Agreement and Promissory Note. If the final pay is insufficient to compensate the Company for the unreturned equipment, the employee will be required to repay the Company the remaining replacement value within 14 days of separation from employment, consistent with applicable law. An employee's failure to return the equipment or reimburse PHRG for the full replacement value is theft of PHRG property. PHRG will contact the police to file a report if an employee fails to return the equipment or pay PHRG the full replacement value, in accordance with the terms of this policy.

21. Postage, Shipping and Office Supplies

Postage, shipping, and office supplies paid by the Company are for business purposes only and are not to be used for an employee's personal purposes.

22. Personal Property

Employees are to use their own discretion when choosing to bring personal property into the office, and do so at their own risk. PHRG shall have no liability for losses resulting from damage or theft to personal property brought onto or left on Company premises. Additionally, employees may not bring or display in the office any property that may be viewed as inappropriate or offensive to others.’

E. HEALTH AND SAFETY POLICIES

1. Personal Safety

Each employee’s health and safety is of utmost importance to PHRG and the Company is willing to take any and all reasonable steps to ensure workplace safety and address the safety concerns of its employees. To that end, employees are urged to report to Human Resources or Company management any and all workplace conditions that they believe pose a safety hazard or are otherwise likely to cause injury to themselves or their co-workers. Employees are also expected to do their part and use caution and good judgment in all workplace activities.

2. Fire Safety

In the event of a fire, activate the nearest fire alarm, notify management, and then leave the building using the designated fire exits. Do not use the elevator(s) to exit the building. Management will contact the fire department immediately and determine, with the fire department, whether and how to evacuate the building.

3. Violence and Weapons

PHRG takes violence and threats of violence in the workplace extremely seriously. Any act or threat of violence by or against any employee, customer, supplier, partner, or visitor is strictly prohibited. This policy applies to all Company employees, whether on or off Company property.

Any use or possession of weapons, whether such possession is illegal or not, is prohibited on Company property, or while on Company business. This includes knives, guns, martial arts weapons, or any other object that is used as a weapon. Any employee caught possessing a weapon will be disciplined, up to and including termination.

If you are threatened or are the victim of a violent act in the workplace, or if you observe behavior that is violent or potentially violent or observe a weapon in the workplace, immediately report it to your supervisor, Human Resources or Company management. All such reports will be investigated promptly and thoroughly. PHRG will maintain confidentiality to the extent possible (i.e., release information only to those with a business need-to-know), and the Company will not tolerate retaliation against any employee who reports in good faith a violation of this policy.

4. Drug and Alcohol Testing Policy

For the health and safety of every employee and our customers, it is the policy of PHRG to maintain a workplace that is free from the effects of drug and alcohol abuse. Illegal drug use and alcohol abuse in the workplace impairs employee safety and health, promotes crime, lowers productivity, and undermines our customers' confidence in the work we do.

Our ability to maintain a safe workplace and to promote high standards of employee health is directly dependent upon the establishment and maintenance of a workplace that is free from the adverse effects of drug use and alcohol abuse. The unauthorized and/or unlawful sale, distribution, dispensing, possession, or use of a controlled substance or alcohol is strictly prohibited in all Company facilities, on all Company property, in any Company-owned vehicle, and at all times while engaged in Company business. Compliance with this policy is a condition of employment and continued employment with PHRG. Employees found to be in violation of this policy will be subject to disciplinary action, up to and including immediate termination.

As an employee of the Company, you are required to be fit-for-duty at all times during the Work Day¹ or while on Company Premises.² The Company reserves the right to determine fitness-for-duty by drug and/or alcohol tests where there is reason to believe an employee may be under the influence of illegal drugs or alcohol during the Work Day or while on Company Premises.

To ensure compliance with this policy, PHRG reserves the right to require an employee to submit to drug and alcohol testing under any one of the following circumstances:

1. Drug testing will be required as a condition of employment with the Company and must be completed after a conditional offer is made and before the employee's scheduled start date;
2. When an employee transfers positions within the Company, drug testing may be required as part of the transfer process;
3. When involved in any work related accident involving injury or property damage;
4. When involved in a motor vehicle accident or upon receipt of a citation or ticket for a traffic violation, while engaged in Company business; or
5. Whenever a member of Company management determines that reasonable suspicion exists to believe the employee is under the influence of alcohol or illegal drugs.

¹ The term "Work Day" includes, in addition to actual working time, meal, and other breaks if you return to work after such breaks, regardless of whether you are on the Company Premises during such time and regardless of whether you are paid for such time.

² The term "Company Premises" includes the buildings, parking area, surrounding grounds, and motor vehicles owned or leased by the Company.

For purposes of this Drug and Alcohol Testing Policy, “reasonable suspicion” will be deemed to exist when one or more of the following is observed or identified in connection with the employee in question: visible needle marks, red eyes, the smell of drugs or alcohol on an employee’s breath or clothing, slurred speech, erratic movements or gestures, erratic outbursts or mood changes, unexplained changes in work performance, inappropriate workplace behavior, unexplained or frequent absenteeism, and/or any other indicators of drug or alcohol use/abuse.

The Company reserves the right to determine that an employee is unfit-for-duty without regard to the need for a drug and/or alcohol test.

Any employee who refuses to submit to a drug and alcohol test upon the Company’s request will be subject to immediate termination of his or her employment. An employee also will be subject to immediate termination if he or she provides an adulterated, substituted, invalid, or otherwise tampered specimen.

Results, Re-Testing and Termination

1. If an applicant or employee’s drug test is positive for illegal drugs, the individual will be subject to immediate termination.
2. If an applicant or employee’s drug test is positive for narcotic drugs that could be prescribed, the individual must present a valid and current prescription in their name within twenty-four (24) hours. If they fail to do so, they will be suspended until such prescription is received and terminated after five (5) days if the prescription is not produced, subject to applicable law.
3. If an applicant or employee’s drug test returns abnormal, the results will be referred to a Medical Review Officer for evaluation and corrective action or termination may result.
4. If a manager has reasonable suspicion to believe that an employee is under the influence of drugs or alcohol while in the course of his/her employment, the employee will be directed to take a drug test immediately on the date of the observed behavior. If that is not possible because the drug testing facility is closed, the employee must take a drug test the following morning.
5. If an employee is required to and fails to take a drug test prior to employment or the results are not received by the start date, the employee may not be permitted to start their position until such results are received. Employees should take the drug test more than seventy-two (72) hours prior to their start date to ensure results are received prior to the start date.

Any employee convicted of violating a criminal drug statute must inform the Company of such a conviction (including pleas of guilty and *nolo contendere*) within five (5) days of its occurrence. Failure to inform the Company will subject the employee to immediate termination.

The use of alcohol while on Company premises or during working hours is strictly forbidden and is cause for immediate termination.

Using, possessing, manufacturing, selling, distributing or dispensing illegal drugs while on Company premises or during the Work Day is also strictly forbidden and is cause for an employee's immediate termination.

Involvement with illegal drugs off premises or outside of the Work Day also may result in appropriate disciplinary action, up to and including termination, where such involvement may have an adverse effect on the Company's reputation and/or the operations.

If you are taking any prescription or over-the-counter medication, which could interfere with your ability to perform your job safely, please inform your manager or Human Resources, so that alternative responsibilities can be explored.

Employees who believe they may have a drug or alcohol problem are urged to speak with their supervisor, Human Resources or other Company management with whom they feel comfortable. Any information disclosed about alcohol and drug abuse problems will be treated confidentially. Accordingly, if you need an accommodation because of a substance abuse (or any other) problem, it is your responsibility to make this request to Human Resources.

Employees who violate this policy may be subject to disciplinary action, up to and including termination.

5. Workers' Compensation

On-the-job injuries are covered by the Company's Workers' Compensation insurance policy, when reported to the Company and approved by the Workers' Compensation carrier. This insurance is provided at no cost to you. Workers' Compensation benefits include partial payment of lost wages and/or payment for required medical treatment. The benefit amount is determined in accordance with state law. Workers' Compensation leave will run concurrently with any leave under the Family and Medical Leave Act (FMLA), to the extent applicable.

To preserve employee rights to Workers' Compensation benefits to the greatest degree possible, PHRG requires that employees report all job-related accidents or injuries to a supervisor immediately, whether the accident occurred on or off Company premises. Failure to report an injury, regardless of how minor it may appear to be, could result in delays or a denial of the employee's claim. Accordingly, employees found to be in violation of this reporting requirement are subject to disciplinary action.

6. Maintenance of Health Benefits under Workers' Compensation

If an employee takes leave due to Workers' Compensation, the Company will cover the employer portion of the health and dental insurance benefit premium for up to twelve (12) weeks. The employee will need to make arrangements to pay PHRG for his or her share of health and dental insurance premiums while on leave. The premium will remain the same as the payroll deduction amount prior to leave. PHRG must receive the premium amount by the 1st of each month. If PHRG does not receive the premium amount within thirty (30) days of the due date, the insurance coverage will retroactively terminate on the date of the last payment. Once

the maximum period of twelve (12) weeks has expired, the employee's benefits through PHRG will end and the employee may elect continuation of benefits through COBRA, if eligible.

F. COMPENSATION AND PAID TIME OFF

1. Employment Classifications

Each PHRG employee is classified as full-time, part-time, or temporary, based on the definitions set forth below.

1. Full-time: any employee that is regularly scheduled to work thirty (30) hours a week or more. Full-time employees are eligible for all standard Company benefits, including medical and dental health insurance, PTO, short-term disability and life insurance.
2. Part-time: any employee that is regularly scheduled to work less than thirty (30) hours per week. Part-time employees are eligible for medical and dental health insurance benefits.
3. Temporary: any worker who is hired with a predetermined start and end date of employment. Temporary employees are not eligible for standard Company benefits.

2. Pay Periods

All employees are paid bi-weekly on Friday for the preceding two full weeks, ending on and including hours worked the weekend prior to payday. Employees have an individual employee portal at www.ipay.adp.com where employees can access payroll and tax information.

3. Direct Deposit

All employees are immediately eligible for direct deposit of their paycheck into their bank account. This may be established at any time by contacting Human Resources and completing the required paperwork.

4. Lunches and Breaks

The Company will provide break periods of at least thirty (30) minutes for minors ages 14-17 years old who work five (5) or more consecutive hours.

If you are 18 or older the following applies:

- If you work five (5) hours or less, the Company provides you with one (1) paid fifteen (15) minute break.

- If you work between five (5) hours and seven (7) hours, the Company provides you with one (1) unpaid thirty (30) minute meal break and one (1) paid fifteen (15) minute break (not to be combined).
- If you work more than seven (7) hours, the Company provides you with one (1) unpaid one (1) hour meal break and two (2) paid fifteen (15) minute breaks (none of which are to be combined).

These breaks are to be taken *as specified* by the Company or your supervisor and may not be broken down, *i.e.*, a fifteen (15) minute break **cannot** be taken in three (3) five (5) minute increments. An employee seeking a break in excess of the allowed time must consult with his or her supervisor for permission and the appropriate documentation.

Failure to abide by the above will result in appropriate disciplinary action.

5. Breast Milk Expression Breaks

An employee is eligible for breaks to express breast milk in the one (1) year period following the birth of her child.

An employee is encouraged to use breaks otherwise provided to express breast milk, where possible. Additional breaks, as needed, may be taken.

An employee who needs to take a breast milk expression break must inform her supervisor to ensure appropriate coverage exists during the break. An employee will be paid for her breaks, unless the employee expresses breast milk during an unpaid meal break.

The Company will provide a private place, other than a restroom, that is shielded from view and free from intrusion, where employees can express breast milk. Please ask Human Resources for more information.

When expressing breast milk in one of these locations, employees should put a sign on the door which contains the following or similar statement: “Private: Do Not Enter. Room in Use.” If an employee has an office and wishes to express breast milk in her office, she may do so. The employee should put a sign on her door during her break indicating that no one should enter.

6. Attendance and Punctuality

Punctual and regular attendance is vitally important to the Company’s efficient operation. If you are consistently late and/or excessively absent, PHRG’s ability to perform its work is adversely affected and an unfair burden is placed on your co-workers. Therefore, unless your absence is permitted or otherwise excused under Company policy, e.g., vacation, holiday, or medical leave, you are responsible for being at work and arriving on time. If you are going to be absent or late, it is your responsibility to call your supervisor as soon as possible, preferably in advance, and in no event later than one (1) hour after the start of the workday. Unless prior arrangements have been made, if you are absent for multiple days, you must notify your supervisor each day.

An employee who is absent or late for reasons other than those permitted or excused by PHRG's existing policies, or who repeatedly fails to provide notice as required, will be subject to appropriate disciplinary action, up to and including termination.

7. Paid Time Off (PTO)

PTO is provided to eligible hourly and salaried full-time employees. Part-time employees and sales representatives are not eligible for PTO. PTO is based upon duration of employment and is accrued annually on a pro rata basis after an employee reaches ninety (90) days of service. The number of hours accrued per pay period based upon twenty-six (26) annual pay periods is as follows:

Months of Employment	Annual PTO Hours	Hours Per Pay Period
4 to 24 months	80	3.08
25 to 48 months	120	4.62
Over 48 months	160	6.15

Accrued PTO is added to the employee's PTO balance each pay period and is deducted when utilized. Annual PTO hours are increased the first day of the pay period following an employee's anniversary date. Months of service and anniversaries are based upon date of hire. An employee's PTO balance is shown on their paycheck, viewable online at www.ipay.adp.com.

Eligibility Guidelines

Employees are not eligible for PTO in their first ninety (90) days of employment. If an employee successfully completes ninety (90) days of employment, they will be granted eighteen and one-half (18.5) hours of PTO. If extenuating circumstances cause an employee to be absent in the first 90 days of employment, the day will be considered PTO. Accordingly, the employee will be paid and their PTO balance will reflect a negative balance, which will be deducted from their future PTO accrual.

Employees are not entitled to payment for any accrued but unused PTO at any time, including upon separation of employment from the Company or transfer to a non-PTO-eligible position, subject to applicable law. Should an employee transfer to a non-PTO-eligible position, any PTO time the employee has accrued will be banked for potential later use if and when the employee returns to a PTO-eligible position at the Company.

If an employee resigns from employment and gives notice before they intend to stop working, the employee may not take PTO after notice of resignation has been given and they must work their normal schedule until they complete their employment. If an employee is absent from work for a PTO day(s) and, thereafter, resigns without returning to work, the time missed will not be counted as PTO. The employee's last day of actual work on the job will be considered the date of resignation.

If an employee uses all of his or her accrued PTO for the calendar year, takes additional PTO with supervisor approval, and terminates their employment before they have accrued the PTO necessary to cover the excess PTO they have taken, payment for the used but non-accrued hours will be deducted from the employee's final paycheck, subject to applicable law.

Eligibility to accrue PTO at any particular time is contingent on the employee either working or utilizing accrued PTO at that same time. PTO is not accrued at times when an employee is on any unpaid leave, short or long term disability leave or workers' compensation leave.

Guidelines for PTO Use

Employees may use accrued PTO to receive paid time off from work for a scheduled vacation or for other personal purposes with the prior approval of their supervisor, or as an unscheduled sick day in the event of illness. Employees may use time from their PTO balance in hourly increments. Time not covered by the PTO policy includes Company paid holidays, eligible funeral leave up to three (3) days and required jury duty up to five (5) days.

Employees who are absent more than three (3) consecutive unscheduled days may be required to present a doctor's note and release to Human Resources permitting them to return to work.

Employees are required to use any accrued PTO concurrently while taking any requested and approved unpaid leave of absence until such accrued PTO is exhausted. Additionally, under the Company's Family and Medical Leave Act (FMLA) policy, any accrued PTO time is taken concurrently with the unpaid FMLA time.

Employees may take PTO in a calendar year only up to the amount that will accrue in that calendar year (based on first date of employment) plus any carryover hours from the prior calendar year. If an employee's days absent exceed the allowable PTO, the employee will be subject to disciplinary action, which may include termination, subject to applicable law.

Vacations

The following rules shall govern with respect to all eligible Company employees seeking to take accrued PTO for a scheduled vacation:

1. PTO for planned vacations must be scheduled with a minimum of three (3) weeks' advance notice.
2. Where a paid Company holiday occurs during an employee's scheduled vacation and the holiday falls on a day the employee is normally scheduled to work, that day is not counted against the employee's accrued PTO.
3. No more than ten (10) days of PTO can be used in any eight (8) week period unless approved by your supervisor.

4. Under unusual circumstances, and when provided with advance notice, PHRG will consider an employee's request for additional time off without pay to extend a vacation beyond the number of PTO days accrued.

Carryover

Each employee may carry over accrued but unused PTO into a new calendar year. However, an employee cannot have more than two hundred (200) hours in their PTO balance at any time.

Once an employee accrues two hundred (200) hours, the employee will stop accruing PTO until PTO is used by the employee.

8. Holiday Pay

Holiday pay is available to full-time eligible employees. Part-time employees and sales representatives are not eligible for holiday pay. In order to be eligible for holiday pay for a recognized Company holiday, when the employee's department is closed, an employee must have worked both the business day before and the business day after the holiday or the employee must have been out due to pre-approved PTO. If an employee takes an unscheduled PTO day or unpaid day off either the day before or after a Company holiday, the employee will not be eligible for holiday pay. Working the day before and after the holiday is the minimum requirement for holiday pay eligibility and does not guarantee the employee will receive holiday pay, as schedules and requirements may vary by department.

G. EMPLOYEE BENEFITS

The following is a list of benefits that PHRG makes available to eligible employees. Eligibility requirements with respect to the particular benefit are noted below. The brief descriptions in this Handbook are intended as a summary only. The separate plan documents, which may be obtained from Human Resources, explain each benefit in greater detail than is provided here. In all cases, the terms set forth in the plan documents will be deemed to be controlling. Please be advised that benefits set forth below may be modified, added, or terminated at any time by the insurance company or other benefit provider, per the terms of the applicable plan, or by PHRG, at its discretion.

For all employees enrolled in the employer-sponsored medical, dental, short-term disability, and life insurance benefits, your benefits terminate on the same day you separate from employment. Documents to continue medical and dental benefits through COBRA, requiring the employee to pay the full premium, will be mailed to you.

PHRG recognizes the need for employee record-keeping privacy standards. We are committed to maintaining the privacy and security of all personal and health care information and complying with all federal laws and state laws. Information about an employee collected and retained by PHRG is strictly limited to a need-to-know basis.

1. Medical Insurance

Medical insurance is available for eligible employees and their qualified dependents. The waiting period for health care coverage is ninety (90) days from your hire date and coverage will commence after the ninetieth (90th) day of employment. All employees, full and part-time, are eligible for medical insurance through the Company.

2. Dental Insurance

Dental Insurance is available for eligible employees and their qualified dependents. The waiting period for dental coverage is ninety (90) days from your hire date and coverage will commence after the ninetieth (90th) day of employment. All employees, full and part-time, are eligible for medical insurance through the Company.

3. Changes to Medical and Dental Coverage

Employees may not make changes to their medical or dental plan or switch to a different plan except during the Open Enrollment period, typically occurring around July 1st of each year. However, employees may change from single to family coverage, or vice versa, at other times during the year if the employee's family status changes due to marriage, divorce, death, the addition of a child dependent through marriage, birth, or adoption, or if a covered dependent becomes ineligible for continued coverage.

4. COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health coverage under the Company's health plan, should the employee lose his or her eligibility (e.g., upon termination of employment or reduction in hours). Under COBRA, the employee pays the full cost of coverage at the Company's group rate, plus an administrative fee.

5. Short Term Disability/ Life Insurance

PHRG provides short-term disability and life insurance to all full-time employees ninety (90) days after their hire date at no cost to the employee. The short-term disability benefit provides income protection for all eligible employees for up to nine (9) weeks of disability, following a thirty (30) day waiting period. PHRG provides employees with a fifteen thousand dollar (\$15,000) life insurance policy.

6. Charles Schwab 401 (k)

After one (1) year of service as an employee with the Company, employees will be given the option to enroll in the PHRG 401(k) Retirement Plan administered by Charles Schwab at the enrollment date immediately following their anniversary date, either January 1st or July 1st. Information about the Plan can be obtained through Human Resources.

7. Employee Discounts

Full-time employees are currently eligible to receive a discount on the Company's core products and service offerings. The current employee discount rate is twenty percent (20%) off of PHRG's standard list price.

8. Referral Program

The Company's Employee Referral Program awards bonuses to employees for referring new full-time employees to the Company. The Company reserves the right to review, suspend, or change the criteria applicable to the Referral Program, including bonus amounts and promotions, at any time, with or without notice.

To be eligible for the referral bonus, the referred employee must meet the following criteria:

- Must be a full-time employee
- Must be employed for a minimum of ninety (90) calendar days based on their start date
 - o Workdays missed will be deducted from days worked when computing ninety (90) days of employment
- Has not provided any notice of resignation prior to ninety (90) days of employment
- Must be a new employee without prior employment with the Company

Employees referring interns or part-time employees are not eligible for a referral bonus, even if that intern or part-time employee becomes full-time at a later date.

To be eligible to receive the referral bonus, the referring employee must meet the following criteria:

- Referral must be entered in the Nitro Referral system
- Must be identified when the referral initially applies with the Company
 - o Duplicate referrals for one individual are prohibited—the first employee to refer will receive the credit
- Must be an active employee during the pay period when the referral hits ninety (90) days of employment
- Must be an active employee during the pay period when the referral bonus is calculated for payment

Inactive employees may not request payment of a referral bonus.

To receive the referral bonus, the referring employee must submit a completed referral form to empreferrals@powerhrg.com after their referral hits their ninetieth (90th) day of employment.

All completed forms received by Friday preceding the next payroll date will be reviewed for bonus eligibility. If eligible, the bonus will be paid on the next payroll date. If not eligible by that Friday, the bonus will be paid in the following payroll assuming all criteria is met. This is a one (1) time bonus to the employee for the applicable referral, payable through payroll with all applicable taxes deducted from the gross bonus amount.

H. LEAVE POLICIES

1. General Policies

PHRG offers eligible Employees with leave under a variety of circumstances. The following descriptions summarize the Company's general policies governing employee leave.

To apply for leave, or to inquire into what leave may be available, an employee should contact Human Resources. Consistent with applicable law, the employee will be asked to state why he or she wants or needs the leave, and when he or she anticipates the leave period will begin and end. Human Resources will provide details to the employee indicating what type and duration of leave, if any, may be available and will also advise the employee of any requirements, such as certification of a health condition, with which the employee must comply.

To the extent possible, all leave is granted for a specific period of time. An employee who foresees being unable or unwilling to return to work at the end of the approved leave period should apply for any other leave for which the employee is eligible, including, where available, an extension of the current leave period.

As with all policies, PHRG reserves the right to revise or rescind these policies at its discretion, subject to the requirements of applicable state and federal law.

2. Leave under the Family and Medical Leave Act

Basic FMLA Leave Entitlement

Under the Family and Medical Leave Act (FMLA) the Company will provide to eligible employees up to twelve (12) weeks of unpaid leave during a twelve (12) month rolling period, measured backward from the first date an employee uses any FMLA leave, for the following reasons:³

- For incapacity due to pregnancy, prenatal medical care or child birth;
- To care for the employee's child after birth, or placement for adoption or foster care;
- To care for the employee's spouse, son or daughter, or parent, who has a serious health condition; or
- For a serious health condition that makes the employee unable to perform the employee's job.

³ In the event spouses work for the Company, the total amount of FMLA Leave available to both spouses (or to each spouse individually) may be additionally limited in accordance with the FMLA.

Military Family Leave Entitlements

Eligible employees with a spouse, son, daughter, or parent on “covered active duty” (or who has been notified of an impending call to “covered active duty”) in the Armed Forces may use their twelve (12) week leave entitlement to address certain “qualifying exigencies.”

FMLA also includes a special leave entitlement that permits eligible employees to take up to twenty-six (26) workweeks of unpaid leave to care for a covered service member during a single twelve (12) month period.

Employee Eligibility Requirements

Employees are eligible for unpaid FMLA leave if they have worked for the Company for at least twelve (12) months, if they have worked at least one thousand, two hundred-fifty (1,250) hours during the twelve (12) month period immediately preceding the commencement of the leave and if they work at a worksite where fifty (50) or more employees work within seventy-five (75) miles of that worksite.

Benefits and Protections During FMLA Leave

During FMLA leave, the Company will maintain an employee’s health coverage under any “group health plan” on the same terms as if the employee had continued to work (e.g., an employee is required to continue to timely pay his or her portion of the applicable premium). All other insurance coverage will continue during FMLA Leave, only if continued participation is permitted by the Plan Document. Upon return from FMLA leave, in general, employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave will not result in the loss of any employment benefit (e.g., paid time off benefits, to the extent applicable) that accrued or were allotted prior to the start of an employee’s leave. However, an employee shall not accrue additional paid time off benefits during FMLA Leave, except during such portion of the FMLA Leave in which he or she concurrently receives available paid time off benefits directly from the Company.

To the extent permitted by law, employees shall be ineligible for Holiday Pay during FMLA leave. Employees shall be ineligible for Funeral Leave or Juror Duty Pay during FMLA leave.

If an eligible employee needs intermittent or reduced-schedule leave that is foreseeable based upon planned medical treatment for the employee, a family member, or a covered service member, including during a period of recovery from the serious health condition, the Company may require the employee to transfer temporarily to an alternative position for which the employee is qualified and which better accommodates the intermittent or reduced leave schedule.

Use of FMLA Leave

An employee does not need to use FMLA leave in one (1) block. FMLA leave can be taken intermittently or on a reduced leave schedule when medically necessary. Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the

Company's operations. Leave due to qualifying exigencies may also be taken on an intermittent basis.

Employees may take intermittent or reduced schedule leave for the birth or placement of a child only with the written consent of Human Resources, after consultation with an employee's manager, taking into account relevant business needs as determined by the Company.

Substitution of Paid Benefits for Unpaid FMLA Leave

Employees are required to use any available paid time off benefits concurrently while taking FMLA leave to the extent the paid benefits would otherwise be available for use by the employee for the FMLA qualifying event. In order to concurrently use these paid benefits while taking FMLA leave, employees must comply with the Company's applicable paid benefits policies.

In addition, an employee may also be eligible for temporary disability payments under the Company's disability benefits program, various state programs and/or workers' compensation payments, subject to their eligibility requirements and other terms, conditions, restrictions and exclusions. In such cases, for FMLA qualifying events, the Company will concurrently designate the period of time in which the employee receives those payments as FMLA leave and count the time against the employee's FMLA leave entitlement. In addition, an employee and the Company may agree to have paid time off benefits supplement such payments, such as when the disability or workers' compensation benefits replace only a portion of the employee's income. However, in no case may an employee receive more than one hundred percent (100%) of his or her regular net pay during FMLA leave.

Employee Notice Responsibilities

Timing of Notice

Where the need for FMLA leave is foreseeable, an employee must give thirty (30) days advance notice of the need for FMLA leave, where possible.

When the need for FMLA leave is foreseeable but thirty (30) days advance notice is not possible, the employee must give notice "as soon as is practicable." This rule applies both with respect to an employee's initial request for FMLA leave as well as when an employee needs to change the timing of previously scheduled FMLA leave. "As soon as practicable" means as soon as possible and practical. When an employee becomes aware of a need for FMLA leave fewer than thirty (30) days in advance, it generally should be practicable for the employee to provide notice of the need for leave (or a change in previously scheduled FMLA leave) either the same day or the next business day.

Note: For foreseeable leave due to a qualifying exigency, an employee must provide notice as soon as practicable, regardless of how far in advance such leave is foreseeable.

Where the need for leave is not foreseeable, an employee must provide notice to the Company as soon as practicable under the facts and circumstances of a particular situation. For example, if an employee's child has a severe asthma attack and the employee takes the child to the emergency room, the employee would not be required to leave his or her child in order to report the absence

while the child is receiving emergency treatment. However, if the child's asthma attack required only the use of an inhaler at home followed by a period of rest, the employee would be expected to call the employer promptly after ensuring the child has used the inhaler.

In addition, absent an emergency or other unusual circumstances, employees are expected to provide proper notice.

Content of Notice

- Initial Request for FMLA Leave

Absent an emergency or other unusual circumstances, an employee's request for FMLA leave must be in writing. The written request must be submitted to Human Resources.

An employee must provide sufficient information to Human Resources to enable the Company to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave, specifying, to the extent possible, the beginning and end dates of the leave. Sufficient information may include that the employee is unable to perform job functions, the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for qualifying exigency and/or covered service member leave. An employee merely calling out "sick" is insufficient notice and does not constitute a request for FMLA leave.

- Tracking of FMLA Absences For Employees To Whom The Company Previously Approved FMLA Leave and Who Remain Eligible for FMLA Leave Under the Prior Designation

If an employee requests leave for a reason for which FMLA leave was previously taken or certified (including in the case of intermittent leave) an employee must notify Human Resources as well as his or her supervisor or manager by specifically referencing the FMLA-qualifying reason or of the need for FMLA leave when calling out.

Again, merely stating that the employee is "sick," without providing more information, will not be considered sufficient notice to trigger the Company's obligations under the FMLA. The Company may follow up with you to inquire further if it is necessary for the Company to obtain necessary details.

In addition, in the event an employee seeks an extension of previously approved FMLA leave or the timing or previously scheduled FMLA leave changes, an employee must notify Human Resources as well as his or her supervisor or manager.

Certifications

An employee will be required to provide periodic reports to the Company of the employee's status and intent to return to work.

An employee will be required to provide a complete and sufficient medical certification to determine his or her eligibility for leave and/or continued leave as well as other changes to an

employee's leave schedule. The Company may also require a second or third medical opinion. An employee is required to provide the requested certification within fifteen (15) days of the request, unless it is not practicable to do so. In addition, the Company may also require recertification of an employee's need for leave. These requirements apply both in the event an employee is requesting leave for his or her own serious health condition and in the event of the serious health condition of a parent, spouse, or child.

In connection with a request for FMLA Leave due to a qualifying exigency, or to care for a covered service member, the Company may also require an employee to provide a complete and sufficient certification and/or other documentation in support of the leave.

The Company may also require that an employee provide a fitness for duty certification prior to permitting an employee to return to work from FMLA leave due to his or her own serious health condition. Where an employee is on intermittent or reduced schedule leave for his or her own serious health condition, the employee may also be required to provide a fitness for duty certification periodically if reasonable safety concerns exist.

The Company also reserves the right to require an employee to submit to a fitness for duty examination by a healthcare provider selected by the Company in accordance with the Americans with Disabilities Act as well as other applicable law.

The Company's Responsibilities under the FMLA; FMLA Enforcement

The Company, through Human Resources, will inform employees requesting leave whether they are eligible under FMLA. If an employee is eligible, the Company will provide a notice specifying any additional information required as well as the employee's rights and responsibilities. If the Company determines that an employee is not eligible, the Company will provide the employee with a reason for the ineligibility.

The Company will inform the employee whether the leave requested will be designated as FMLA leave and the amount of leave that will be counted against the employee's FMLA leave entitlement. If the Company determines that the employee's leave is not FMLA protected, then the Company will notify the employee.

The Company cannot and will not interfere with, restrain, or deny the exercise of any right provided under the FMLA, or termination or discriminate against any person for opposing any practice made unlawful by the FMLA or for involvement in any proceeding under or relating to the FMLA.

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer. The FMLA does not affect any federal or state law prohibiting discrimination, or supersede any state or local law, which provides greater family or medical leave rights.

For additional information: 1-866-4US-WAGE (1-866-487-9243); TTY 1-877-889-5627; www.wagehour.dol.gov.

Job Restoration

As stated above, upon return from FMLA Leave, in general, employees will be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms. The Company may deny job restoration, however, where the employee is a “key employee” as defined under the FMLA or if the employee would not otherwise have been employed at the time reinstatement is requested (e.g., if an employee’s position is eliminated, where an employee was hired for only a specific term or to work on a specific project, if an employee’s shift is eliminated).

If an employee does not return to work at the end of FMLA Leave, an employee’s employment ordinarily will terminate. However, if an employee is on FMLA leave for his or her own medical condition, the employee may be eligible for additional leave beyond the FMLA as a reasonable accommodation. The Company will contact the employee before he or she reaches the maximum leave to determine, based on discussion with the employee and input from his or her health care provider, where appropriate: (1) whether additional leave may be a reasonable accommodation as well as (2) whether there are any reasonable accommodations that would enable the employee to return to work.⁴

The Company will provide employees with additional leave beyond the leave maximums set forth above if a reasonable accommodation under the ADA, unless an undue hardship. The Company will make reasonable accommodations under the ADA to enable an employee to return to work, unless an undue hardship.

An employee’s employment also shall terminate if at any time during a leave of absence the employee informs Human Resources that he or she does not intend to return to work at the conclusion of the leave.

3. Jury Duty

Employees summoned for jury duty will be allowed the necessary time off from work to perform this civic responsibility. Employees are requested to give PHRG fifteen (15) days’ advance notice, when possible under the circumstances, of the date and time they have been called to serve, if such advance notice was provided to the employee. The Company will pay eligible employees the difference between their regular hourly rate and any jury duty fees received for up to five (5) days of jury duty service. For jury service longer than five (5) days, employees may choose to, but are not required to, use PTO to their remaining days of jury duty leave or may take the time unpaid. Employees are expected to report to work during all regular hours if their presence is not required in the jury room or at the courthouse. PHRG will require the employee to supply documentation from the court verifying the dates and times of the employee’s jury duty service.

⁴ Similarly, if an Employee is not eligible for FMLA leave, but needs time off for his or her own medical condition, the Employee may be eligible for unpaid leave as a reasonable accommodation.

4. Leave for Service as a Witness, Victim, or Victim’s Representative

Employees who are summoned to appear or who choose to appear in a civil, criminal, or juvenile proceeding because they are a witness, a victim, or a victim’s representative in the proceeding, are able to take unpaid leave for such purpose. Employees are requested to provide advance notice of the leave as soon as is practicable under the circumstances. The Company may require Employees to supply documentation verifying the dates and times of the Employee’s appearance at the proceeding.

5. Military Leave

Employees who are absent from work in order to attend an annual encampment in a recognized reserve branch of the Armed Forces of the United States are eligible for a leave of absence. PHRG will require the employee to supply documentation from the military verifying the dates and times of the military service. If called to active duty service, employees should notify Company management and submit copies of the military orders as soon as it is practicable. An employee’s eligibility for reinstatement after completion of military duty will be determined in accordance with the federal Uniformed Services Employment and Reemployment Rights Act (USERRA), and any state laws that may also be applicable. For more information concerning your rights under USERRA, please consult Human Resources.

Military leave is generally unpaid, unless otherwise required by law. Employees who are on unpaid military leave may elect to use their available PTO, although they are not required to do so. Employees on military leave do not accrue additional PTO benefits, except during such time as they use their available PTO. Employees on military leave will receive all seniority-based benefits, which they otherwise would have received had they remained actively employed.

The Company will pay the full cost of the employee’s health plan coverage for the first thirty (30) days of military leave. Thereafter, employees may elect to continue employer sponsored health care, pursuant to USERRA and COBRA and subject to USERRA’s and COBRA’s eligibility requirements and other terms, conditions and restrictions.

6. Funeral Leave

When a death occurs in an employee’s immediate family, all full-time employees except sales representatives, may take up to three (3) days off, with pay, in order to attend the funeral or make necessary funeral arrangements. Sales representatives may take up to three days off without pay to attend the funeral or make necessary funeral arrangements. In unusual circumstances, additional time off may be granted, with or without pay, at the discretion of PHRG. For purposes of the Company’s Funeral Leave Policy, the term “immediate family” means an employee’s spouse, domestic partner, civil union partner, child, as well as a parent, grandparent, brother, or sister of the employee or the employee’s spouse.

7. Voting Leave

The Company encourages employees who are eligible voters to exercise their right to vote in general, primary and special elections at the federal, state and local level. Employees who

require time off in order to vote in any election for which they are qualified to vote and who provide the Company with reasonable advance notice of this need may take two (2) hours of unpaid leave for this purpose. You may be asked to provide proof that you have voted, or have attempted to vote, if you were absent during regular work hours.

8. Personal Leave of Absence

Requests for a personal leave of absence, without pay, are considered individually and granted at the discretion of management, and only where the requesting employee is ineligible for any other type of leave. Employees are generally not eligible for personal leaves of absence in the first ninety (90) days of employment. An employee may not generally take a personal leave of absence for more than six (6) weeks in a rolling twelve (12) month period. The reason for the request, the employee's length of service with the Company, the employee's work record, and the demands of the individual's job are some of the factors, among others, typically considered in evaluating a request for personal leave of absence.

The Company will consider leave in the first ninety (90) days of employment and additional leave beyond six (6) weeks as a reasonable accommodation under qualifying circumstances in accordance with the Americans With Disabilities Act. If the leave is not approved leave under the Family and Medical Leave Act or Workers' Compensation, employees are not entitled to continuation of their health insurance benefits directly from the Company. However, employees will receive information regarding how to continue their benefits by paying the entire health insurance premium through COBRA. Paperwork to continue benefits through COBRA will be sent to the employee.

9. Leave of Absence, Status Change and Separation/ Re-Hire and Effect on Benefit Eligibility

If an employee is absent pursuant to an approved leave of absence, which does not include continuation of medical and dental benefits, the employee may immediately re-enroll in the medical, dental, and other benefits upon return to work within six (6) months after the leave period began. If an employee returns from a leave of absence more than six months after the leave began, the employee must wait ninety (90) days to re-enroll in health and dental benefits with the Company.

If an employee resigns or is terminated from employment and subsequently returns to work for the Company within six months, the employee does not have to wait ninety (90) days to re-enroll in the medical and dental insurance programs, short-term disability or life insurance plans. If the individual returns to employment more than six months after separation, the individual will have a ninety (90) day waiting period to re-enroll in all of health and dental benefits with the Company.

10. Maximum Leave Policy

An employee's employment ordinarily may terminate when he or she reaches the maximum leave under the above policies. However, if an employee is on a leave for his or her own medical condition, the employee may be eligible for additional leave beyond the maximum

leaves set forth in the above policies as a reasonable accommodation if he or she is disabled. The Company will contact the employee before he or she reaches the maximum leave to determine (1) whether additional leave may be a reasonable accommodation as well as (2) whether there are any reasonable accommodations that would enable the employee to return to work.

The Company will provide employees with additional leave beyond the leaves set forth above if a reasonable accommodation under the ADA or state law, unless an undue hardship. The Company will make reasonable accommodations under the ADA and state law to enable an employee to return to work, unless an undue hardship.

An employee's employment shall terminate if he or she makes clear that he or she does not intend to return to work at the conclusion of any leave for which he or she may be eligible.

I. PERFORMANCE AND DISCIPLINARY POLICIES

1. Performance Reviews

Every PHRG employee may be subject to a performance appraisal after their first ninety (90) days of employment and, thereafter, approximately once a year, which may differ based on position, department, or circumstances. For more urgent performance matters, performance appraisals may be conducted at the time they are warranted. The appraisal will focus on the employee's job-related strengths and weaknesses. Goals and improvement plans may be mapped out each review period, and progress will be measured at the next appraisal.

2. Problem Resolution

PHRG seeks to deal openly and directly with its employees, and believes that communication between employees and management is critical to solving the various workplace problems that inevitably arise from time to time.

An employee who is experiencing a disagreement, dispute, or other problem with another employee should first attempt to informally resolve the problem by discussing it privately with the other involved employee. If a mutually satisfactory resolution cannot be agreed upon through this informal discussion, both employees should approach their supervisor, who will work with the employees to determine an appropriate resolution.

Employees who have a work-related issue or other problem with their supervisor should first go to the supervisor and state the problem in an effort to reach a resolution. If such a resolution cannot be agreed upon within five (5) business days, the employee should present his or her problem in writing to Human Resources. The matter will then be investigated and reviewed. If a resolution has not been reached or the employee is dissatisfied with the proposed solution, employee should present his or her problem in writing to Vice President of Human Resources Deirdre Collins within ten (10) business days after the report to Human Resources.

3. Employee Discipline Generally

PHRG's overall policy concerning employee discipline is geared towards making reasonable constructive efforts to resolve employee performance problems and other workplace issues as soon as they are identified. The specific action taken by the Company in any particular instance will be determined by PHRG in light of the facts and circumstances of each case. Depending upon those facts and circumstances, the discipline applied may include, among other things, oral or written warnings, probation, suspension with or without pay (subject to applicable law), or immediate termination. In making the determination, the Company will consider a variety of factors including, but not limited to, the seriousness of the situation or infraction, the employee's past record of conduct and length of service, and the nature of the employee's previous job performance or other incidents involving the employee. Details of this process are outlined further in the Corrective Action section below.

4. Corrective Action

When, after appropriate investigation has been made, it has been determined that an employee's conduct has violated one or more Company rules or policies, corrective action will be taken, and such action will continue until the violation or infraction is corrected.

Although your employment with the Company is "at-will" (that is, either party can terminate the employment relationship at any time, for any or no reason, with or without cause and with or without prior notice), your failure to meet the Company's expectations may result in informal coaching and/or formal Corrective Counseling.

Corrective Counseling may include none, some or all of the following steps:

<u>Step One</u>	Verbal Warning
<u>Step Two</u>	Written Warning
<u>Step Three</u>	Final Warning
<u>Step Four</u>	Termination

Because unsatisfactory job performance and unacceptable conduct have different levels of seriousness, Corrective Counseling may be initiated at an intermediate level or a Step or Steps of Counseling may be bypassed. Circumstances which may impact on such a decision include, but are not limited to:

- The severity of and conditions under which substandard attendance/ performance/ conduct occurred;
- Whether the attendance/ performance/ conduct at issue violated more than one (1) rule, policy or procedure;
- Your position with the Company;
- The quality of your overall job attendance/ performance/ conduct; and
- Your demonstrated willingness to make improvements in attendance/ performance/ conduct as needed.

The Corrective Counseling process discussed above will **NOT** be followed:

- When management is of the opinion that remedial efforts are unlikely to be successful;

- During the New-Hire Introductory Period (first ninety (90) days of employment); or
- When you have engaged in conduct or performance, which falls so far below the expectations of the Company that the Company concludes your employment cannot be continued.

While it is neither practical nor desirable to list every conceivable cause for immediate termination, set forth below is a list of some of the causes for immediate termination:

- Violations of any of the following Policies:
 - o Equal Employment Opportunity Policy
 - o Substance Abuse Policy
 - o Confidentiality
 - o Conflicts of Interest
 - o Workplace Violence
- Theft including: misappropriation of Company property or property belonging to any of the Company's employees or any person with whom we do business (regardless of when or where the prohibited behavior occurs).
- Dishonesty, including:
 - o Falsification of any pay, time, business, expense, or employment record (including your Application for Employment)
 - o Recording the time worked by another employee or permitting another employee to record time worked by you
 - o Providing false information or testimony in the course of an investigation being conducted by the Company
 - o Claiming benefits under false pretense
- Insubordination, which is defined as refusal to obey a supervisor's instructions or willful disobedience when directed to perform work.
- Unethical or illegal conduct in the course of your employment.
- Reckless disregard for or willful violation of any safety or security rules.
- Sleeping on-the-job.
- Gross neglect of duties or job responsibilities.
- Gambling or loan-sharking while on Company premises or during working hours (even if off Company premises).
- Absence from work for two (2) or more consecutive days without notice.
- Obtaining other employment during a Leave of Absence, excluding military leave or absent prior written permission from Human Resources
- Other serious misconduct as determined by the Company

Notwithstanding the progressive disciplinary policy set forth above, PHRG management is not required to follow the progressive disciplinary policy. Employees are employed at-will and may be terminated at any time, at the discretion of management, even absent performance or disciplinary issues.

J. SEPARATION POLICIES

1. Job Abandonment

Except under the most extraordinary circumstances, Company employees that are absent for two (2) or more consecutive days without notifying their direct supervisor will be considered to have voluntarily abandoned their employment with the Company. In such cases, the effective date of termination will be the last day the employee reported for work.

2. Termination

In keeping with its policy of at-will employment, PHRG does not offer employees tenure or any other form of guaranteed employment. Accordingly, either employee or PHRG may terminate the employment relationship at any time and for any reason, or for no reason at all, subject to applicable state and federal law.

While, again, the Company is not obligated to provide a reason for any particular employment decision, involuntary termination typically results from one or more of the following: (1) substandard job performance; (2) violations of Company policies or procedures; (3) layoffs, which include the elimination of an employee's position or a employees reduction due to redundancy or the need to reduce costs, and (4) poor workplace attitude.

3. Termination Process

For all employees enrolled in the employer sponsored medical, dental, and short-term disability benefits, your benefits terminate on the date you separate from employment. Documents to continue medical and dental benefits through COBRA, requiring the employee to pay the full premium, will be mailed to the former employee.

PHRG requires that employees return all documents (including this Handbook), files, computer equipment, uniforms, Company tools, business credit cards, keys, and other Company-owned property on or before the last day of work. Outgoing employees may also be asked to execute an Equipment Agreement acknowledging that all Company property in their possession has been returned. Please note the Company reserves the right to take appropriate action, including legal action, to recover Company property, or the reasonable value thereof, should the employee fail to surrender all such items upon termination.

Employees leaving the Company will have the option of participating in an exit interview with Human Resources.

4. Re-Hire of Sales Representatives

If a sales representative separates from employment and the Company later elects to re-hire the sales representative, the sales representative will be required to attend sales training before being permitted to run appointments.

EXHIBIT A

Acknowledgment of Receipt of the Employee Handbook

I hereby acknowledge that I have received a copy of the Power Home Remodeling Group Employee Handbook (“Handbook”). I understand that it is my responsibility to review and abide by the rules and policies set forth therein.

I also acknowledge that my employment with Power Home Remodeling Group (the “Company”) is at-will and not for any specified period of time. I further acknowledge that the Company reserves the right to modify or amend its policies at any time, without prior notice.

If I have any questions regarding the content or interpretation of the Handbook, I will bring them to the attention of Company management or Human Resources.

Printed Name

Signature

Office

Date