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# **HSO Enterprise Solutions Employee Handbook**

February 2018  
New York and General Policies



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## WELCOME LETTER

Dear Employee,

Welcome to HSO Enterprise Solutions and to what we're sure will be a mutually rewarding relationship! We believe that each employee contributes directly to HSO's growth and success, and we hope that you will take pride in being a part of our team.

This handbook was developed to describe some of the expectations of HSO employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook, for it will answer many of your questions regarding employment with HSO Enterprise Solutions.

It is our belief that only by making each employee successful will we make our customers successful and achieve the organization's goals. The more productively we work together to meet our customers' needs, the more successful HSO as a company will be. Your individual success and the personal satisfaction you derive from your association with HSO are an integral part of achieving these goals.

There is no question that our most valuable asset is our people. HSO is committed to doing its part to assure its employees have a positive work experience. Together we can make a work environment that demands our best while leaving room for fun and personal fulfillment.

As a member of HSO's team, you will be expected to contribute your talents and energies to improve the environment and quality of the Company, as well as the Company's services. In return, you will be given the opportunity to grow and learn in a challenging and safe work environment. We also hope "fun" will be a part of your career at HSO!

You have joined an organization that prides itself on delivering quality services to our customers. HSO's culture is one of continuous learning and growth opportunities. Hard work and innovation are the roots of our growth and success. We are continuing to build an organization, which our industry will recognize for its excellence.

We extend to you our personal best wishes for your success and happiness at HSO. Once again, on behalf of the entire team, we're happy you've joined our team!

Sincerely,

Jack Ades and Alan Kahn



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## **OUR MISSION**

To be the leading global provider of technology driven business solutions that improve the business performance and results of our clients.

## **OUR SHARED VALUES**

HSO is based on a foundation of shared values and a commitment to these values. HSO's shared values are listed below.

### Client Satisfaction:

We strive to exceed our clients' expectations and maximize their satisfaction.

### Client Empathy:

We must understand what our clients experience in order to help them meet their challenges and improve their business success.

### Client Relationships:

We must create mutually beneficial relationships with our clients based on professionalism and trust.

### Ethical Business Practices:

We must conduct ourselves with the highest level of integrity and treat all individuals in our business community with dignity and respect.

### Quality:

We must pursue the highest level of quality in all products and services we provide.

### Teamwork:

We will use teamwork to meet challenges and promote each other's success.

### Employee Growth:

We must promote creativity, initiative and personal growth while maintaining an open exchange of ideas and sharing information.

### Company Strength:

We provide outstanding value to our customers, perpetuating financial strength in our company.



## OVERVIEW

This handbook is designed to acquaint you with HSO Enterprise Solutions (referred to as "HSO Enterprise Solutions" or "the Company") and provide you with information about working conditions, employee benefits, and policies affecting your employment. You should read, understand, and comply with all provisions of the handbook for it describes many of your responsibilities as an employee and outlines the programs developed by HSO to benefit employees. One of HSO's objectives is to provide a work environment that is conducive to both professional and personal growth.

No employee handbook can anticipate every circumstance or question about policy. The benefits, policies, and procedures contained in the employee handbook represent these practices as they exist today. As HSO continues to grow and change, the need may arise and HSO reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. Employees will, of course, be notified of such changes to the handbook as they occur. Employment with HSO Enterprise Solutions is at-will. Employment is entered into voluntarily, and employees are free to resign at any time. Similarly, HSO Enterprise Solutions may terminate the employment relationship at any time, with or without notice or cause. Policies set forth in this handbook are not intended to create a contract nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between HSO and any of its employees.

The only recognized deviations from the stated policies are those authorized and signed by the co-Presidents of HSO Enterprise Solutions.

Neither receipt of, nor the existence of this employee handbook, constitutes a contract of employment.



## SECTION 1 – EMPLOYMENT PRACTICES

### 1-1 Equal Employment Opportunity

HSO Enterprise Solutions adheres to a policy of equal opportunity employment. Employees and applicants for employment will not be discriminated against on the basis of race, color, religion, age, gender, national origin, genetic information, sexual orientation, gender identity characteristics or expression, familial status, citizenship status, marital status, disability, veteran status, domestic violence victim status or any other legally protected status, in any employment decisions, including, but not limited to, recruitment, hiring, compensation, training, apprenticeship, promotion, demotion, transfer, layoff, termination, or in any other term or condition of employment. All employment-related decisions are based solely on relevant criteria, including training, experience, education, qualifications, abilities, and suitability.

We are committed to administering all employment-related matters in accordance with our policy of equal opportunity. It is expected that each employee will abide by the policies set forth in this Handbook.

### 1-2 Anti-Discrimination and Anti-Harassment

We are committed to providing and maintaining a work environment free from all forms of harassment and discrimination.

Definitions:

- a) "Discrimination" includes conduct or comments directed towards any individual(s) based on that individual's race, color, religion, age, gender, national origin, sexual orientation, genetic information, gender identity characteristics or expression, familial status, citizenship status, marital status, disability, veteran status, domestic violence victim status or any other status protected by law or regulation that affects or impacts a term or condition of that individual's employment.
- b) "Sexual harassment" is a form of discrimination and is specifically prohibited under our policies. The Equal Employment Opportunity Commission (EEOC) has established guidelines particularly for sexual harassment, as a form of sexual discrimination under Title VII of the Civil Rights Act. Sexual harassment includes:
  - submission to unwelcome sexual advances and other physical or verbal conduct that is made a term or condition of an individual's employment, such as demanding that an employee has a sexual relationship with a supervisor or manager in order for the employee to keep his/her job.
  - conduct that interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment, such as telling offensive jokes and engaging in offensive behavior in the workplace.
- c) "Harassment" on the basis of any other protected characteristic is also a form of discrimination, and includes verbal or physical conduct that denigrates or shows hostility toward another



because of his or her race, color, religion, age, gender, national origin, sexual orientation, genetic information, gender identity characteristics or expression, familial status, citizenship status, marital status, disability, veteran status, domestic violence victim status, or any other characteristic protected by law or regulation.

If an employee has any questions about what constitutes harassing behavior he/she should ask his/her manager or Human Resources.

Harassment of HSO employees in connection with their work by non-employees may also be a violation of this policy. Any employee who experiences harassment by a non-employee or who observes harassment of an employee by a non-employee shall report such harassment to his/her manager or Human Resources. Harassment of HSO's customers or clients by employees is also strictly prohibited.

#### Complaint Procedure

Any employee who suspects, observes, or experiences discriminatory or harassing actions by another employee, member of management or anyone else should immediately notify his/her manager or Human Resources, whether the employee is the victim or not, whether the offender is a member of management, coworker, vendor, or business invitee, and regardless of the sex of the offender. We will promptly investigate and appropriately address the situation, and employees can be confident that they may raise concerns without fear of reprisal. Anyone found to be engaging in any type of discriminatory behavior will be subject to disciplinary action, up to and including termination of employment.

#### Retaliation

Neither HSO Enterprise Solutions nor its management will in any way retaliate against an individual who raises a good faith complaint alleging harassment or discrimination, or cooperates in any investigation. Retaliation is a serious violation of policy and will subject any employee who engages in retaliatory behavior to the same strict discipline as the harasser.

#### Investigation

To the extent practical and appropriate, complaints of harassment or discrimination and the subsequent investigations will be treated as discreetly as possible. All investigations will be promptly handled, and are designed to protect the privacy of, and minimize suspicion toward, all parties concerned. An investigation will at a minimum involve an interview with the employee making the complaint and interviews with persons identified as witnesses or having knowledge of the incident or conduct. Employee cooperation in investigations is a condition of employment.

Refusal or failure to cooperate with any aspect of this policy may result in disciplinary action, up to and including termination of employment.

Allegations that are substantiated will result in appropriate disciplinary actions against the harasser, up to and including termination of employment. Likewise, employees who make a complaint under this policy in bad faith or without reasonable grounds for the complaint may be subject to disciplinary action up to and including termination of employment.





### Reasonable Accommodations

We are required under the law to consider requests to reasonably accommodate employees for reasons of disability, religious observances or beliefs or pregnancy unless doing so results in an undue hardship to the Company. This policy applies to all aspects of employment, including job selection, job assignment, compensation, discipline, termination, and access to benefits and training. Employees seeking reasonable accommodations should discuss the request with Human Resources.

### **1-3 Substance Abuse**

HSO Enterprise Solutions is committed to maintaining safe, healthy, and efficient working conditions for its employees and for protecting the safety and security of its facilities and employees. The Company strives to establish and maintain a work environment free from the negative impacts of alcohol and drug abuse.

Being under the influence of alcohol or any other drug, legal or illegal, while on Company property or while conducting Company business may pose a serious safety and/or health risk to the user and/or other employees. We strictly prohibit the distribution, use, sale, purchase or possession of any alcohol or "controlled or illegal substance" while on our property or while conducting Company business. "Controlled or illegal substances" include, but are not limited to narcotics, drugs, or any other substance that may pose an unacceptable risk to safe, healthful, and efficient operations of the Company. This also applies to the use of legal and prescribed medications that may impair an employee's ability to work safely and efficiently.

Employees are encouraged to report to their manager or Human Resources anyone who uses or appears to be under the influence of controlled substances or alcohol on our premises or while performing work. Employees will not be retaliated against for reporting a substance abuse incident.

The above notwithstanding, there may be occasions when employees attend a company sanctioned event with colleagues and/or customers and alcohol may be served. Employees are to limit the amount of alcohol consumption, so as not to impair their ability to drive or conduct company business.

### Right to Inspect

We reserve the right to inspect Company property. There is no expectation of privacy in work areas, lockers, and desks or with respect to any property provided by the Company. As such, they are subject to search at any time and for any reason, with or without prior notice. We also have the right to search packages, containers, or briefcases brought on Company property, as well as brought into Company vehicles. Any illegal substances found on Company property will be turned over to the appropriate law enforcement agency and may also result in criminal prosecution. Employee cooperation in searches, inspections and investigations is a condition of employment. Employees who refuse to cooperate in searches, inspections and investigations are subject to disciplinary action up to and including termination of employment.



## 1-4 Safety

HSO Enterprise Solutions provides information to employees about workplace safety and health issues through regular internal communication channels such as meetings, email postings, bulletin board postings, and memos.

HSO Enterprise Solutions encourages employees to present safety improvement ideas. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with a member of management. Reports and concerns about workplace safety issues may be made anonymously by submitting a written statement to Human Resources if the employee wishes. All reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to management or Human Resources. Employees who violate safety standards, who cause hazardous or dangerous situations, who fail to report hazardous or dangerous situations, or, where appropriate, remedy such situations, may be subject to disciplinary action up to and including termination of employment.

All employees are required to comply with the following guidelines (Note: this list is representative of safety guidelines and is not all inclusive):

- No alcohol or controlled substances will be used on the job at any time
- Lift with your legs, not your back. Get assistance with loads over 50 pounds.
- Advise management or the Human Resources Department of any hazardous conditions on the premises.
- Wear seat belts at all times while driving on company business
- Know the location of fire alarm boxes, extinguishers, first aid kits, and eye-wash stations in their work area;
- Promptly record and bring to the attention of their manager or Human Resources unsafe areas (such as slippery floors, items left in hallways, etc.);
- Do not attempt to work with defective equipment, and bring such matters to the attention of their manager or Human Resources immediately;
- Wear all proper safety equipment (i.e. safety glasses, safety shoes);
- Promptly report any injury, no matter how minor, to their manager or Human Resources.
- Follow all other written and spoken safety rules

In the case of accidents that result in injury, the injured employee must immediately notify management and the Human Resources Department regardless of how insignificant the injury may appear. Such reports are necessary to comply with Workers' Compensation and OSHA laws.

## 1-5 Workplace Violence Prevention

We are committed to preventing workplace violence and to maintaining a safe work environment. The following guidelines have been created to deal with intimidation, harassment, or other threats of (or



actual) violence or threats to (or actual) damage of property that may occur during business hours or on our premises.

Everyone who works here should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited on our premises at all times unless being used appropriately for work related purposes.

Any threats should be reported as soon as possible to management or Human Resources. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat the employee should be as specific and as detailed as possible.

All suspicious individuals or activities, commotions or disturbance in the workplace, must be reported immediately to the Human Resources.

We will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of our investigation, we may suspend employees during an investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment. If appropriate the local authorities will be notified.

We encourage employees to bring their disputes or differences with other employees to the attention of their managers or Human Resources before the situation escalates into violence. We are eager to assist in the resolution of employee disputes, and will not retaliate against employees for raising such concerns.

In addition, the Company requests that employees who currently hold or seek to obtain temporary or permanent restraining orders against others who have threatened or committed violent acts against them to so inform their manager or Human Resources in order to apprise the Company of any potential threats to their security or the security of others within the workplace. HSO management understands the sensitivity of this type of information, and will make every effort to protect the confidentiality and privacy of the person(s) involved.



## SECTION 2 – BUSINESS ETHICS

### 2-1 Ethics and Corporate Compliance

HSO Enterprise Solutions expects its directors, officers, management, and employees to maintain the highest standards of honesty, integrity and business ethics and comply with the letter and spirit of all applicable laws. The Company has earned a reputation for honesty, integrity, and compliance with the law, enabling us to build excellent relationships with customers, suppliers, and the public.

Unlawful or unethical actions by employees can be costly to HSO Enterprise Solutions, and can cause the Company to lose its excellent reputation. Therefore, it is our policy that employees and all other representatives of the Company not participate in or condone any activity that is detrimental to the Company. Employees must promptly report any suspected unlawful work-related activity to their manager or Human Resources.

Questions about business ethics should be directed to the Human Resource Department.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### 2-2 Confidentiality

The protection of confidential business information and trade secrets is vital to the interests and success of HSO Enterprise Solutions. Such confidential information includes, but is not limited to the following items:

- New material research
- Proprietary business information
- Scientific data
- Technological data
- Proprietary processes
- Inventions
- Trade secrets
- New products
- Formulas
- Marketing plans
- Pricing strategies and information
- Computer systems and programs
- Terms of agreement with suppliers or customers
- Financial data
- Business plans
- Budgets
- Forecasts
- Unpublished financial statements
- Licenses
- Customer information and preferences



- Supplier lists and budgets
- Software programs and other tangible property and specifications owned by HSO Enterprise Solutions

Such confidential information has been created, discovered, and/or developed by HSO Enterprise Solutions at considerable time and/or expense, or is information in which property rights have been assigned or otherwise conveyed to the Company.

Employees shall not disclose or discuss confidential information with anyone outside the Company.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### **2-3 Employee Rules of Conduct**

Rules of conduct have been established to protect our employees and our Company. All employees are required to act within these rules and recognize standards of appropriate workplace behavior. This list is not intended to be an all-inclusive list of inappropriate behavior:

- Harassment in any form, including sexual harassment retaliation or any discriminatory behavior
- Misuse or abuse of electronic communications
- Disclosure of proprietary or the Company's confidential information
- Embezzlement, theft, vandalism, or other unauthorized removal of Company property or misappropriation of Company funds or assets or the funds or property of others
- Carrying of any firearms, weapons, or explosives while on Company property or on Company business
- Use, possession, distribution, or sale of controlled substances in any quantity, or being under the influence of such substances while on Company premises or conducting Company business (see Substance Abuse Policy)
- Falsification of records or reports, including timekeeping documents
- Fighting or threatening violence to other employees
- Boisterous or disruptive behavior
- Negligent or inappropriate conduct that may result in or cause injury to persons or damage to co-worker or Company property
- Violation of safety rules
- Smoking in the work place or at any client location
- Inappropriate dress or attire
- Illegal acts on Company property, or while representing HSO Enterprise Solutions
- Violation of personnel policies or any other policies
- Insubordination, refusing to obey work instructions, or refusing to perform assigned work
- Unethical conduct or any form of dishonesty or theft of service or product
- Failure to notify management of errors in pay in a timely manner
- Taping, photographing, or otherwise recording sound or images on Company property without permission.
- Failure to report a workplace accident or injury when it occurs.



This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

## 2-4 Bullying and Respect in the Workplace

Bullying behavior at work will not be tolerated. Where an allegation of bullying is made, the intention of the alleged bully is irrelevant and will not be given consideration when action is taken. The following types of behavior constitute bullying:

- **Verbal Bullying:** slandering, ridiculing, or criticizing a person or his/her family; persistent name calling which is hurtful, insulting, or humiliating; using a person as butt of jokes; abusive and offensive remarks.
- **Physical Bullying:** pushing or shoving, kicking, poking, tripping assault, or threat of assault, damage to a person's work area or property, inappropriate or overly aggressive non-verbal gestures.

### Complaint Procedure

Any employee who suspects, observes, or experiences bullying actions by another employee, member of management or anyone else should immediately notify his/her manager or Human Resources. We will promptly investigate and appropriately address the situation, and employees can be confident that they may raise concerns without fear of reprisal. Anyone found to be engaging in any type of bullying behavior will be subject to disciplinary action, up to and including termination of employment.

### Retaliation

There shall be no retaliation against an individual who raises a good faith complaint alleging bullying or cooperates in any investigation. Retaliation is a serious violation of policy and will subject any employee who engages in retaliatory behavior to disciplinary action up to and including termination of employment. Likewise, knowingly false accusations may result in appropriate disciplinary action up to and including termination of employment.

## 2-5 Conflicts of Interest

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative or friend as a result of HSO Enterprise Solutions' business dealings. For purposes of this policy, a relative is a person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage. An action may constitute a conflict of interest without being in violation of any law, rule, or regulation.

The Company permits the employment of qualified relatives and "significant others" of employees as long as such does not, in the opinion of the Company, create actual or perceived conflicts of interest. Individuals who are related by blood or marriage, or who are in a significant relationship, are permitted to work in the same department, provided no direct reporting or supervisory/management



relationship exists. That is, employees are not permitted to work within the "chain of command" of a relative, or significant other. In particular, one's relative may not be involved in establishing, overseeing or influencing the work responsibilities, salary, or career progress of the other relative or significant other.

Employees may not solicit directly or indirectly for the employee's benefit or the benefit of another person, any gift, favor or other gratuity from a person or organization with which HSO Enterprise Solutions does business or who seeks to do business with HSO Enterprise Solutions. Employees should never accept *nor* offer any gratuity, gift, or favor that might be intended to influence a business decision or could create the appearance of impropriety. Employees may accept a meal, drink or entertainment in connection with business discussions only if these courtesies are infrequent and reasonable in value.

Business transactions should be handled within the spirit of good faith and business sense and should not involve or result in unusual gains, bribes, bonuses, special fringe benefits, unusual price breaks, or other windfalls designed to ultimately benefit HSO Enterprise Solutions' employees, the employees of other businesses, or other contacts.

## **2-6 Outside Employment**

Full-time employees are expected to treat their position at HSO Enterprise Solutions as their primary employment. Outside employment is prohibited if it prevents the employee from fully performing job functions including overtime assignments, involves work with organizations that do or seek to do business with or compete with HSO Enterprise Solutions, and/or work that involves organizations which are vendors or potential vendors of HSO Enterprise Solutions.

## **2-7 Solving on the Job Problems**

Employees are invited to raise any issues or questions relating to the application or interpretation of the terms and conditions of employment as described in this Handbook, or other directives or policies. The employee should use this procedure:

**STEP 1:** An employee is to talk the concern over with his or her manager honestly and sincerely. There is a good possibility the issue can be resolved at this stage. If the manager or department head fails to offer the opportunity to discuss the matter, or does not provide a satisfactory conclusion, the employee is to take the next step.

**STEP 2:** An employee may meet with Human Resources to discuss the issue and why the proposed solution is not acceptable. Human Resources will review all of the information provided and respond to the employee within 30 days in writing. If the employee is still not satisfied with the results, the employee may proceed to Step 3.

**STEP 3:** An employee may present the concern in writing to a member of the Executive Team within 15 business days of receiving a reply from Human Resources. The employee should suggest an ideal resolution as well as ideas for achieving a desired goal. At this point the executive team member will review the determination of the supervisor, manager or department head, or Human Resources, as well as the employee's suggestions. If appropriate, the executive team member will meet with the



employee to discuss the situation. The employee will be provided with a determination within 30 days in writing. This is the last and final step of the process.

## **2-8 Progressive Discipline**

HSO Enterprise Solutions seeks to administer equitable and consistent discipline for unsatisfactory conduct in the workplace.

We are committed to ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt. The major purpose of any disciplinary action is to provide notice of an employee's unsatisfactory work performance, correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Disciplinary action may call for any of following steps: Verbal Warning, Written Warning, Suspension or Termination of Employment depending on the severity of the problem and the number of occurrences. There will be circumstances when one or more steps are bypassed.

Progressive discipline will normally include: for a first offense, a verbal warning; another offense may lead to a written warning, then suspension, and/or placement of the employee on a performance improvement plan, or the offense may lead to termination of employment.

Certain types of employee problems are serious enough to justify either suspension or, termination of employment, without adhering to the usual progressive discipline steps at the discretion of the Company.

## **2-9 Performance Management**

Managers and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Additional formal performance evaluations are conducted to provide both managers and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. Additionally, the performance management process provides a formal format for employees and their manager to:

- Review the business objectives of the work unit;
- Recognize an employee's contribution to these objectives;
- Set new goals and responsibilities going forward;
- Establish a basis for an employee's career development;
- Discuss development of improvement plans to enhance an employee's current performance;
- Link an employee's contribution and performance to the merit pay system and other forms of recognition and reward.

Wage increases are based on such factors as the employee's quality of work, behavior and motivation, various department criteria, as well as the general economic climate and condition of the Company. It should not be construed from this manual or any contract that wage increases are guaranteed each year.





Performance evaluations are an important management tool, and employees should feel comfortable actively participating with their manager in the review process to keep the lines of communication open. Managers and employees are strongly encouraged to discuss job performance and goals on a regular basis and day-to-day interaction between the employee and manager should provide the employee with a good sense of how his/her performance is perceived.

## **2-10 Employee Development**

HSO Enterprise Solutions is committed to providing developmental opportunities to its employees. Employees can request or may be required to attend out-of-town training courses to gain knowledge and information relating to their job responsibilities.

Employees who attend training are required to turn over all materials acquired during training to HSO. It is the responsibility of the employee who attended training to share the knowledge he/she gained with other HSO employees. Attendees of training should schedule time to meet with fellow employees to share training information within two (2) weeks of returning from training.



## SECTION 3 – HSO Enterprise Solutions and you

### 3-1 Categories of Employment

Below are the definitions of employment classifications to help employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at-will, at any time, is retained by both the employee and the Company. At the time of hire, each employee is designated as either non-exempt or exempt from federal and state wage and hour laws.

**Non-Exempt** employees are entitled to overtime pay for hours worked in excess of 40 hours in a workweek under the specific provisions of the Fair Labor Standards Act (FLSA) and/or state or local law.

**Exempt** employees are those whose duties and responsibilities allow them to be exempt from overtime pay provisions as provided by the Fair Labor Standards Act (FLSA) and/or state or local law.

The non-exempt or exempt status determination for each job is based on the actual responsibilities and the work performed in that job. Employees will be notified in writing if their exempt status changes at any time, such as upon transfers, promotions or any other change in status, for any other reason.

In addition to the preceding categories, each employee will belong to one of the following employment categories:

**Full-Time:** Employees who are not in a temporary status and who are regularly scheduled to work our normal full-time schedule. Employees working a schedule of 30 hours or more per week are eligible for HSO Enterprise Solutions' benefits, subject to the terms, conditions, and limitations of each benefit program.

**Part-Time:** Employees who are not in a temporary status and who are regularly scheduled to work fewer than 30 hours per week.

**Temporary:** Employees who are hired on an interim basis to temporarily supplement the workforce. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees are not eligible for any benefit programs.

### 3-2 Work Hours and Work Schedules

Hours worked, meal breaks and employee schedules are set at the time of employment, but may be modified based on Company needs. On occasion, employees may be required to work overtime, evenings and/or weekends, and it is expected that employees will cooperate to the fullest extent possible.



### **3-3 Attendance and Punctuality**

Employees must be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness are disruptive, and can place a burden on other employees. Therefore, it is your responsibility to personally notify your supervisor or manager with as much advanced notice as possible.

Disciplinary action will result from excessive absenteeism or lateness. The frequency and number of absences will be considered, as well as patterns of lateness or absence, prior work history, and work performance. Absences before or after vacations or holidays, during peak work periods, or frequent occurrences on Mondays or Fridays, can also constitute an attendance problem.

### **3-4 Timekeeping**

Federal and state laws require accurate records of time worked in order to calculate employee pay and benefits. Time worked is defined as all of the time actually spent on the job performing assigned duties and can include work performed remotely.

Meal breaks are paid.

Employees are encouraged not to work through their meal breaks but if they need to, they should obtain prior approval from the manager.

Employees who alter, falsify, or tamper with time records, or record time on another employee's record will be subject to disciplinary action, up to and including termination of employment.

If corrections or modifications are made to a time record, the employee, as well as the employee's manager must verify the accuracy of the change.

Non-exempt employees who work remotely are required to report all time worked on a weekly basis using Tenrox System.

Exempt employees should log their daily total hours in the Tenrox System.

Failure to adhere to this policy will result in disciplinary action up to and including termination of employment.

### **3-5 Personnel Records**

We maintain a personnel file on each employee. This file includes such information as the employee's job application, résumé, performance appraisals, and other employment records. Employees should provide Human Resources with the most current information on their educational accomplishments, certifications, skills learned, etc. to keep their personnel file up to date.

Personnel files are the property of the Company and access to the information can only be obtained through Human Resources.



With reasonable advance notice, employees may review their own personnel file in HSO's offices and in the presence of an individual appointed by HSO to maintain the files.

### **3-6 Retention and Destruction of Employee Documents**

In collecting, maintaining, disclosing, and disposing of personnel information about employees, the Company makes every reasonable effort to protect employee's privacy rights and interests and prevent inappropriate or unnecessary disclosures of information from any employee's file or record.

Personal information collected by the Company includes employee name, address, telephone number, e-mail addresses, emergency contact information, EEO data, social security number, date of birth, employment eligibility data, benefit plans enrollment information, which may include dependent personal information, and school/college or certification credentials. It is our intention to ensure that personal and job-related information about employees is accurate, complete, relevant, and available only as required.

All paper-based documents relating to an employee's personnel/payroll records are kept in locked files and are only accessible to authorized staff. All personnel files must remain in the Human Resources Department at all times.

We do not release sensitive information about employees or former employees to outsiders without written consent, unless required by judicial order, federal or state laws, or an investigation by a law enforcement or government agency.

Documents that contain sensitive information such as medical records, personal data, Social Security numbers, etc., will be destroyed by shredding when they are no longer needed or retained for any reason. Sensitive information stored electronically will be protected through the use of password security procedures and deleted or destroyed so as not to be recoverable.

The Company will review and enforce compliance with this policy. Violation will result in disciplinary action, up to and including termination of employment. If an employee becomes aware of a material breach in maintaining the confidentiality of his or her personal information, the employee should report the incident to the co- Chief Executive Officers of the Company or Human Resources.

### **3-7 Personal Data Changes**

It is very important that we have the most current personal data on each employee. Personal data includes:

- Legal name
- Home mailing address
- Home or cell phone number
- Change in marital status
- Birth, adoption, or foster care placement of a child
- Emergency contact person and information
- Personal email address



### 3-8 Dress Code

Each employee is a representative of HSO Enterprise Solutions whether or not their job places them in direct client contact.

- Business professional attire should be worn any time an employee visits a client site or when employees have clients or prospects visiting the office, unless the client requests that the employee dress in business casual attire.
- In all office locations, dress code is business casual attire.
- On Fridays in all locations, dress code is dress down casual.

#### Professional Business attire is defined as:

For men: suits or jackets with ties

For women: suits and dresses, skirts, or pants with jackets

#### Business casual attire is defined as:

For men: trousers, collared shirts and closed toed shoes. Ties and jackets are optional

For women: dresses or skirts of an appropriate length, trousers, and sandals/shoes.

#### Casual dress down attire is defined as:

Jeans, non-offensive t-shirts, and sneakers

Inappropriate attire includes tight fitting clothing, low cut blouses, tank tops, halter tops, t-shirts, jogging/sweat suits, leggings, shorts, faded and/or torn denim, shirts with inappropriate writing, thong type beach sandals/flip flops, sneakers, caps.

All employees are expected to groom themselves in accordance with accepted business standards and attire must always be neat and clean in appearance: tattoos, hair color, jewelry, and piercings should meet these business standards as well. It is essential that employees maintain good personal hygiene standards including; proper dental care, bathing and appropriate use of deodorant. Overall, a neat and tasteful appearance contributes to the positive impression made on clients, supervisors, managers, and other employees. During client visits or when making outside client calls, employees should dress appropriately.

Any employee who does not meet the standards of this policy may be required to leave the premises to change his/her attire.

HSO encourages all employees to speak with their manager or the Human Resources Department if they are unsure if an item of clothing is appropriate

The Company acknowledges its obligation to be flexible in this policy to make any accommodations required by law.



### **3-9 Smoking**

In compliance with local regulations, there is to be NO SMOKING in any office or work location. This includes all types of tobacco products, smoke and smokeless. Employees may leave the building to smoke during meal breaks.

### **3-10 Inclement Weather and Emergency Closings**

In the event that weather conditions or predictions are unusually severe, or in other unusual circumstances, we may open later than usual, may not open, or may close early.

To determine if the offices are closed (or status of opening) employees will receive a companywide email. If the office is closed all employees are expected to work from home their normally scheduled hours.

If we are officially closed or if you choose not to report to work, non-exempt employees will not be paid.

### **3-11 Use of Telephones, Mail and Company Equipment**

Employees are expected to keep personal calls to a minimum during business hours. While at work, employees are to exercise the same discretion in using personal cell phones as is used with Company telephones. Excessive personal calls during the workday, regardless of the type of telephone used, can interfere with productivity and be distracting to others. When personal calls are necessary, employees are asked to limit the length of such calls and to handle these calls during non-work time.

Under no circumstances are employees to make any chargeable, non-business calls using Company phones. Call detail records of any Company phone to see if abuse has taken place will be reviewed. Employees should also be aware that our phone lines might be monitored for training or other purposes.

Employees are not to use HSO Enterprise Solutions as a personal mailing address and are not to place personal mail through the postage meter. Employees must obtain their manager's approval to use office equipment for personal use, including, but not limited to, copy machines, fax machines, binding machines, etc.

Violation of any part of this policy will result in disciplinary action, up to and including termination of employment, however, the policy is not intended to interfere with any protected concerted activity permitted by law.

### **3-12 Computer and Electronic Communication Systems**

HSO Enterprise Solutions provides its employees the computer hardware, software, and networks necessary to fulfill their job requirements. HSO Enterprise Solutions' computer and electronic communication systems, including voicemail, mobile communications, e-mail, PCs, laptops, and flash drives are intended for the transmittal of business-related information. Company-issued computers and



computer-related hardware are the property of the Company and therefore, no employee should expect a right to privacy when using them.

Computers and electronic information systems are provided to employees for matters of concern to the business' operation, excessive personal use is not acceptable.

The Company reserves the right to inspect, monitor, and review all computers and electronic communications systems without notice to the users, in the ordinary course of business, or when deemed appropriate.

No one may access, or attempt to obtain access to, another person's computer or any electronic communications without appropriate authorization.

In order to avoid software interactions as well as to keep the Company's network free of outside software, no software should be added, deleted and/or run on any Company computer without written approval from a manager. Company confidential and/or proprietary business information shall not be transferred to or maintained on any other non-Company owned computer or electronic information system without prior express authorization from appropriate personnel.

Any message or communication transmitted through our system is subject to our anti-harassment, anti-discrimination and non-solicitation policies. All employees are expected to carefully compose and review the wording, tone, and content of communications prior to transmission. All information distributed via any electronic communication system to HSO Enterprise Solutions' employees or business partners about products or services are considered intellectual assets of HSO Enterprise Solutions, and are not to be distributed to anyone but the intended recipient.

HSO recognizes that its email system may, from time to time, need to be used for personal reasons. Personal email usage should be limited so that it does not interfere with job responsibilities.

When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, standards, and guidelines. Detailed instructions on how to use the equipment issued is provided in the HSO User's Guide. This guide will be distributed upon issuance of equipment. HSO management and employees will be required to check out, in writing, any equipment issued to the employee. If equipment appears to be damaged, defective, or in need of repair, please notify management immediately. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment. Management can answer any questions about an employee's responsibility for maintenance and care of equipment used on the job.

Violation of this policy could lead to disciplinary action, up to and including termination of employment.



### **3-13 Internet Usage**

HSO Enterprise Solutions provides Internet access to assist and support the job responsibilities of its employees. It does not routinely inspect or monitor employee Internet usage. Nonetheless, all Internet data that is composed, transmitted, or received via HSO's computer communications systems is considered to be HSO property and, as such, is subject to disclosure to law enforcement or other third parties. Consequently, employees should always ensure that the business information contained in Internet e-mail messages and other transmissions is accurate, appropriate, ethical, and lawful.

Data that is composed, transmitted, accessed, or received via the Internet should not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law.

The equipment, services, and technology provided to access the Internet remain at all times the property of HSO. As such, HSO reserves the right to monitor Internet traffic and usage through our online connections.

The abuse of Internet usage may result in disciplinary action, up to and including termination of employment.

### **3-14 Social Media**

HSO recognizes that Internet-provided social media can be highly effective tools for sharing ideas and exchanging information. HSO is committed to using social media to promote HSO's visibility and maintain communications with current and prospective employees, customers, business partners, vendors and suppliers, affiliates and subsidiaries, and the general public. HSO is also concerned with ensuring that use of social media serves the Company's need to maintain HSO's brand identity, integrity, and reputation while minimizing actual or potential legal risks.

This policy addresses appropriate use of social media to convey Company information, whether such media is used in or outside the workplace. HSO defines social media broadly to include online platforms that facilitate activities such as professional or social networking, posting commentary or opinions, and sharing pictures, audio, video, or other content. Social media includes personal websites and all types of online communities (for example, Facebook®, LinkedIn®, Yelp®, Pinterest®, YouTube™, Twitter™, Instagram™, Snapchat™, Periscope™, blogs, message boards, and chat rooms).

HSO recognizes that employees might have their own personal social media web pages. As such, HSO respects employees' right to express personal opinions when using personal social media web pages and does not retaliate or discriminate against employees who use social media for political, organizing, or other lawful purposes. HSO encourages employees to link to HSO's external or internal website or





social media web pages from personal social media web pages as long as those personal pages follow the employee responsibilities outlined below.

- Company equipment, including computers, cell phones and electronic systems, should not be used for the transmission of personal communications through social media.
- Employees must abide by all applicable non-disclosure agreements and confidentiality policies of the Company.
- In accordance with Copyright and Trademark regulations, restrictions regarding the use of corporate logos and other branding and identity apply to personal communications through social media. Only individuals officially designated have the authority to speak on the Company's behalf in these forums.
- Employees cannot advertise or sell HSO products via social media websites without prior written approval from a member of HSO's executive team.
- Employee communications, including the transmission of information through social media, are subject to all Company policies, including for example the Company's policy against Discrimination and Harassment.
- Employees are prohibited from making discriminatory, libelous, slanderous or knowingly false comments when discussing the Company, the employee's superior, co-workers, or any other employees of HSO Enterprise Solutions, its management, competitors, or customers.
- The Company reserves the right to take disciplinary action, up to and including termination of employment, against an employee, if any communication is found to violate this policy.

HSO strongly urges employees to use official Company communications to report violations of HSO's Social Media policy, including security breaches, misappropriation or theft of proprietary business information, and trademark infringement. Employees can report actual or perceived violations to their managers, other managers, or to Human Resources.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### **3-15 Use of Company Equipment**

Equipment that is essential in accomplishing job duties is expensive and may be difficult to replace. When using HSO Enterprise Solutions property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Employees should notify their manager immediately if any equipment, machinery, tool, appears to be damaged, defective, or in need of repair. The prompt reporting of equipment problems prevents deterioration of the equipment, as well as possible injury to employees or others.

The careless, negligent, destructive, unsafe, or improper use, or operation of equipment, can result in disciplinary action, up to and including termination of employment.



### **3-16 Work Environment**

Employees are expected to maintain a neat and orderly workplace at all times, including the employee's own desk and workstation and the overall work environment. Employees are expected to clean up after themselves in the restrooms, break rooms, and conference rooms, as well as any other locations.

### **3-17 Responsibility for Personal Belongings**

It is essential that each employee protect personal belongings brought into the building or work location. Employees should take proper measures to safeguard their belongings when stepping away from their workstation. Employees have no presumption of privacy for items kept in work areas. HSO Enterprise Solutions is not responsible for the loss of personal money or belongings.

HSO Enterprise Solutions reserves the right to inspect any type of package, such as handbags, briefcases, and backpacks brought onto or when exiting Company premises at any time.

### **3-18 Visitors in the Workplace**

To provide for the safety and security of employees and our facilities, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps to maintain safety standards, protect against theft, ensure security of equipment, protect confidential information, safeguard employee welfare, and avoid potential distractions and disturbances.

All visitors should enter at the appropriate reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors. If an unauthorized individual is observed on our premises, employees should immediately notify their manager, or if necessary, escort the individual to the reception area.

### **3-19 Media**

To ensure that any information provided to the public about HSO Enterprise Solutions is accurate, only the co- Chief Executive Officers, Director of Marketing or Human Resources Manager may comment to a member of the media.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### **3-20 No Solicitation and No Distribution Rule**

- During periods of the workday no employee who is working or required to be performing work, may engage in solicitation or in the distribution of any material for any purpose.
- No employee may solicit a co-worker when the co-worker is engaged in or required to work.
- Distribution of literature of any kind may not be made in the work areas at any time.
- Persons not employed by the Company are not permitted to solicit or distribute literature on Company premises.



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### **3-21 References**

Company policy is to respond to requests for information regarding current or former employees. All such requests are to be referred to, and answered by, the Human Resources Department. The only information provided will be to verify dates of employment and title.



## **SECTION 4 – COMPENSATION AND BENEFITS**

### **4-1 Pay Schedule and Deductions**

All employees are paid semi-monthly. Paychecks will be received on the 15<sup>th</sup> and the last working day of the month. Each paycheck will include earnings for all work performed through the date of the paycheck.

When the usual payday falls on a holiday, employees will be paid on the workday immediately prior to the payday. Employees may request vacation pay in advance of their vacation by submitting a request in Tenrox at least two weeks before the start of the vacation.

All employees are encouraged to use direct deposit into checking, savings, or multiple accounts. Employees should regularly review their pay stubs to make sure all relevant information (name, address, Social Security number, deductions, etc.) is correct. Any discrepancies, including overpayment or underpayment, are to be reported to Payroll immediately in writing or via email.

Federal and state laws require that certain deductions be made from each employee's paycheck, including federal, state, and local taxes. The deduction amount depends on earnings and the information furnished by the employee on the withholding certificate (W-4).

The Company will pay exempt employees in accordance with all federal and state regulations. No improper deductions may be made from exempt employees' pay under any circumstances. Any exempt employee who believes that an improper deduction has been made should promptly notify the Payroll Manager indicating the circumstances of the deduction and whether there have been previous similar incidents. The circumstances will be investigated and if valid, the salary reimbursed. No employee shall be subject to disciplinary action, or any retaliatory action, for reporting any such violations of this policy or for cooperation in the investigation of such complaints.

No adjustment to an employee's tax status will be made unless the employee files an updated W-4 with the Payroll Department.

### **4-2 Overtime**

Occasionally it may be necessary for employees to work overtime in order to complete work assignments.

A manager must approve any overtime in advance, including work performed remotely.

Overtime compensation is paid to all non-exempt employees for hours worked over 40 in one week, in accordance with federal and state wage and hour laws. It is based on actual hours worked. Time off for illness, vacation, holidays, personal days, or any leave of absence does not qualify as hours worked for purposes of calculating overtime.



#### **4-3 Benefits Summary**

HSO Enterprise Solutions reserves the right to discontinue or to alter, amend, or modify benefits at any time. Employees will be informed of any such change on a timely basis.

#### **4-4 Holidays**

On Company designated holidays full-time employees will be paid for a regular day's pay. We will observe and be officially closed for business on the following holidays:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day After Thanksgiving
- Christmas Day

Full-time employees are not required to complete the 90-day orientation period before qualifying for paid holidays. Employees may not elect financial compensation in lieu of taking time off for a holiday.

If a Company holiday occurs during an employee's scheduled paid Discretionary Time Off (DTO), the day will be counted as a holiday, not as a DTO day.

In order to be paid for a holiday, employees must work the scheduled workday immediately before and the scheduled workday immediately after the holiday. Only preplanned, excused absences will be considered as exceptions to this policy. Employees who are sick before or after a holiday will be required to provide a physician's note. Employees on any type of leave of absence will not be eligible to be paid for the holiday.

Paid time off for holidays will not be counted as hours worked for purposes of determining whether overtime pay is paid to the employee.

The official holiday schedule will be posted annually. The day of the week on which a particular holiday falls in any given year may affect the day the holiday is observed, or whether that holiday will be observed. When a holiday falls on a weekend, either the Friday before, or the Monday after, will be used as the holiday.

#### **4-5 Discretionary Time Off (DTO)**

HSO Enterprise Solutions hires exceptional professionals to perform a wide variety of important functions that contribute to the success of our company. It is HSO's intent to provide our employees the freedom they require to balance the responsibilities of both their work and home lives, thereby maximizing their value to the company.

Under this policy, HSO offers an unlimited paid time off policy to all eligible full-time employees. Eligible employees will be free to take leave when they require it at HSO's discretion. It is the policy of



Hso to forego implementation of a leave accrual or bank system of any sort and implement a Discretionary Time Off (DTO) policy. Leave will be tracked for business purposes. Financial compensation is not provided in lieu of vacation. There will be no "carry over" under the DTO policy. Hso does not pay out accrued or unused time off when an employee separates from the Company.

The DTO Policy will be in place for the remainder of the 2018 calendar year. Hso reserves the right to revert back to the traditional time off plan in place prior to the DTO Policy being implemented at any time.

### Eligibility

All full-time exempt-level employees with 90 days of continuous service are considered eligible under this policy. This policy applies to eligible employees' absences not related to the Family and Medical Leave Act (FMLA), maternity leave, military leave, bereavement and jury duty. For a listing of excluded leaves, see the "Leave of Absence" section of this policy.

### Expectations

- Employees should take the amount of paid time off needed to maintain a healthy work/life balance. We believe, for most employees, this will translate to 4-6 workweeks of DTO each year.
- To the greatest extent possible, time off should be scheduled around company and client goals and priorities. For billable resources, this may mean taking time off in between projects and not taking time off during crucial client milestones.
- We value all employees' contributions and are committed to communicating with our team members in advance when scheduling an absence or notifying the appropriate team member(s) before the start of the workday when an unscheduled absence occurs.
- Scheduled absences of two or more days must be approved in Tenrox at least one month in advance of your first planned day of absence. Billable resources should first obtain approval from their Project Manager before submitting a time off request in Tenrox.
- All absences must be properly logged in Tenrox.
- Absences are limited to three consecutive workweeks off at a time.
- Due to staffing needs, sometimes, not all leave requests can be honored. Advance requests are still subject to the appropriate approval.
- Team members will be expected to meet all established goals despite the absences and take ownership for getting the job done.

Overall, we want to enable you to perform at your best while taking time away from work to maintain a healthy and fulfilling lifestyle. If an eligible employee is unable to meet the expectations outlined above, Hso reserves the right to temporarily revoke DTO. DTO is not meant to establish a part-time work schedule. Leave requests may be denied at management's discretion. If abuse of DTO is observed, disciplinary action may be taken, up to and including termination of employment.

### Verification

We reserve the right to request verification of absences (such as a doctor's note) when appropriate or in the event there is an unplanned absence of three or more consecutive days.



### Leave of Absence

This policy does not apply to leaves of absence due under the Family Medical Leave Act (FMLA) or New York Paid Family Leave (NYPFL). This policy also does not apply to eligible employees requesting military leave, bereavement and/or jury duty. For more information on these types of leave, please see the corresponding policies located in our handbook.

### **4-7 Bereavement Days**

Full-time/part-time employees are entitled to take up to 5 paid bereavement days per year following the death to attend to the funeral of a member of the immediate family. Immediate family is defined as (includes step) as the employee's spouse, parent, child, grandchild, sibling, and the employee's spouse's parent, child, grandchild or sibling, or the employee's child's spouse. Father, mother, sister, brother, spouse, child, mother-in-law, father-in-law, grandparents, grandchildren, nieces, nephews, sisters-and-brothers-in-law, and significant others or as determined by management.

The Company may require proof of the death and relationship to the employee within 3 days of death.

### **4-8 Family & Medical Leave Act**

Under federal law, eligible employees may take a leave of absence under the Family and Medical Leave Act (FMLA) as described below.

### Eligibility

An employee is eligible for an FMLA leave if he/she has been employed for at least twelve months; has worked at least 1,250 hours in the twelve-month period prior to the first day of leave.

For those who otherwise meet the FMLA eligibility requirements but report to a location with fewer than fifty (50) employees within a 75 mile radius, the Company will provide comparable time off as provided to employees who work at a location covered by the FMLA.

### Basic FMLA Leave

The Company provides an eligible employee up to a total of 12 workweeks of unpaid, job-protected leave in a 12 month period for one or more of the following reasons:

- to care for an employee's child within one year after the birth, adoption or foster care placement;
- to care for an immediate family member (spouse, child, or parent - but not a parent "in-law") with a serious health condition;
- an employee's own serious health condition

### Qualifying Exigency Leave

- Eligible employees can take up to twelve (12) weeks of FMLA leave when their spouse, child or parent are on active military duty or have been notified of an impending call to covered active duty in the Armed Forces.



- Leave may be used for any “qualifying exigency” arising out of the service member’s current tour of active duty or impending call to duty. A qualifying exigency includes attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending counseling sessions,
- Caring for the parents of the military member on active duty and attending post-deployment reintegration briefings.

#### Military Care Giver Leave

- Eligible employees may take up to twenty six (26) weeks during a single 12-month period to care for a covered service member who has suffered a serious injury or illness in the line of duty or who had a pre-existing injury which was aggravated by service, in the line of duty.
- Leave may be used to care for a covered service member who is undergoing medical treatment, recuperation, or therapy, are otherwise in outpatient status, or is on the temporary disability retired list for a serious injury or illness. A “covered service member” includes a member of the armed forces, including the National Guard or Reserves and a veteran who was a member of the Armed Forces at any time during the 5 years preceding the date on which the veteran undergoes the medical treatment, recuperation or therapy. Eligible employees are entitled to this leave to care for their next of kin if they are the nearest blood relative of a covered service member.

Any qualifying leave taken will be considered leave under the FMLA, regardless of whether the employee wishes to designate his/her leave as such.

#### Measuring FMLA time

FMLA leave is provided for up to 12 workweeks in a 12-month period. The 12- month period is measured on rolling forward basis from the date of the employee uses FMLA leave.

For military caregiver leave under the FMLA, eligible employees shall be entitled to, a combined total of 26 workweeks of leave during a single 12-month period based on a rolling forward basis from the date the employee uses FMLA leave.

#### Intermittent Leave or Leave on a Reduced Schedule

In some circumstances, FMLA leave may be taken intermittently or on a reduced schedule. If the employee is taking intermittent leave or is on a reduced work schedule because of his/her own serious health condition, or the serious health condition of the employee’s child, parent, or spouse, such a leave must be medically necessary.

Employees needing intermittent leave or a reduced work schedule must attempt to schedule their leave so as not to interrupt the Company’s operations. The minimum period of time for a leave is one-quarter (.25) hour. An employee on an intermittent leave or a reduced schedule leave may be transferred to an alternate work schedule, worksite location or alternative position to accommodate the leave.





FMLA leave requested to care for a newborn or newly placed child may not be taken intermittently or on a reduced work schedule unless agreed to by the Company.

#### Limitations if both Spouses Are Employees

If both spouses work for the Company and the leave requested is for the birth, adoption, or foster care placement of a child, the Company will not grant more than a combined total of 12 workweeks of FMLA leave within a 12-month period to the spouses.

#### Leave Notice

If the need for a leave is foreseeable, the employee must provide 30 days written notice to HSO Enterprise Solutions. If the need for a leave is not foreseeable or if it is otherwise not possible to provide 30 days' notice, notice must be provided within two days of learning of the need for the leave, or as soon as practicable.

If the need for the leave is foreseeable, the employee must make a reasonable effort to schedule the leave so as not to disrupt the Company's operations. The employee's reasonable effort to schedule his/her leave is subject to the approval of the health care provider of the employee or of the health care provider of the employee's family member.

#### Medical Certification

If the leave is due to the employee's illness or to care for an ill family member, the Company will provide the employee with a medical certification form to be completed by the health care provider. Where possible, the employee must provide the certification before the leave begins. When this is not possible, the employee should provide the certification within at least 15 calendar days of when the employee learned of the need for the leave.

Failure to provide a timely medical certification may result in denial of an FMLA leave.

The Company may contact the employee's health care provider to authenticate or clarify completed medical certifications. If the employee refuses to authorize the Company to seek clarification or authenticate reports the Company may deny the FMLA leave request.

#### Other Employment

Employees who accept other employment or go into business while on a leave of absence will be considered to have voluntarily resigned from employment. The resignation date will be considered as the day on which the leave of absence commenced.

#### Return to Work

If the employee's FMLA leave was because of his/her own serious health condition, the Company requires the employee to submit a certification from his/her healthcare provider that states that the employee is able to return to work. This form is available from HSO Enterprise Solutions.



### Health Coverage

The Company will continue the employee's health coverage while the employee is on FMLA leave, under the same terms and conditions as was provided while the employee was working. The employee will still be responsible for the same share of cost of premiums for his/her health coverage as if he/she were at work. If the employee is on an unpaid leave of absence he/she will need to send a check to HSO Enterprise Solutions for his/her portion of the premium within the first five days of each month. Failure to make timely payments may result in termination of medical coverage, though coverage will be reinstated on the return from the leave.

Once leave is exhausted under FMLA, employees will be eligible to continue benefits under COBRA.

If the employee fails to return from the leave, or returns to work for fewer than 30 days, in certain circumstances, the Company may recover from the employee the premiums it paid for maintaining medical/dental coverage during all or part of the leave.

### Paid Time Off

FMLA leave is unpaid, and in general, HSO Enterprise Solutions' employees will not be eligible for Discretionary Time Off (DTO) while taking FMLA leave.

Employees who are entitled to benefits pursuant to a disability plan, or Worker's Compensation plan or policy will not be permitted to use Discretionary Time Off (DTO) during the period when they are receiving such benefits. Any period during which the employee receives benefits pursuant to the disability plan or policy will, if qualified under the FMLA, run concurrently with and be counted against the employee's FMLA leave entitlement.

### Reinstatement

An employee eligible for Family and Medical Leave – except in only limited circumstances – will be restored to his/her old position or to a position with equivalent pay, benefits, and other terms and conditions of employment.

Employees who fail to report to work on their return date and who fail to request and obtain an approval for additional leave not covered by the Family Medical Leave Act may be considered to have voluntarily resigned.

### **4-9 Leave Pursuant to New York Paid Family Benefits Law (NY employees only)**

Under New York state law, eligible employees are entitled to take family leave for the following purposes:

- To participate in providing care for a family member — including the employee's child, parent, parent in-law, grandchild, grandparent, spouse, or domestic partner — made necessary by the family member's serious health condition.
- To bond with the employee's child during the first 12 months after the child's birth, or the first 12 months after the placement of a child for adoption or foster care with the employee (although in connection with adoption or foster placement, the employee may be permitted to



take leave prior to the placement in connection with actions needed for the placement to proceed). Leave to bond with a newborn or newly placed child must be taken within one year of the child's birth or placement.

- Because of any qualifying exigency arising out of the fact that the spouse, domestic partner, child, or parent of the employee is on active duty (or has been notified of an impending call or order to active duty) in the armed forces of the United States.

The following employees are eligible for this leave:

- Employees who work in New York State
- Employees whose regular work schedule is at least 20 hours per week, and who have worked for the Company for at least 26 consecutive weeks as of the first day of the leave; and
- Employees whose regular work schedule is fewer than 20 hours per week, and who have worked for the Company for at least 175 days as of the first day of the leave.

Pursuant to New York law, the duration of leave available to eligible employees will increase over the next three years, as follows:

- In 2018: eight (8) weeks
- In 2019: ten (10) weeks
- In 2020: ten (10) weeks
- In 2021 and thereafter: twelve (12) weeks.

Leave may be taken all at once or in increments of at least one day.

Employees will be paid during leave according to the following schedule:

- In 2018: 50% of the employee's average weekly wage or 50% of the state average weekly wage, whichever is less;
- In 2019: 55% of the employee's average weekly wage or 55% of the state average weekly wage;
- In 2020: 60% of the employee's average weekly wage or 60% of the state average weekly wage; and
- In 2021: 67% of the employee's average weekly wage or 67% of the state average weekly wage.

For information regarding the current state average weekly wage, please see Human Resources

Where NYPFL and FMLA apply, these leaves will run concurrently.

An employee must provide the HSO with at least 30 days advance notice before leave is to begin if the need for the leave is foreseeable. If such notice is not practicable, notice must be provided as soon as practicable. Employees are to contact Human Resources for forms and information regarding this leave.

Upon returning from leave, an employee is entitled to be reinstated to his/her prior position with comparable pay, benefits, and other terms and conditions of employment.



HSO will continue the employee's health coverage while the employee is on NYPFL leave, under the same terms and conditions as was provided while the employee was working. The employee will still be responsible for the same share of cost of premiums for his/her health coverage as if he/she were at work. The employee will need to send a check to HSO for his/her portion of the premium within the first five days each month. Failure to make timely payments may result in termination of medical coverage as provided for in the NYSPFL, though coverage will be reinstated on the return from leave at employee's request.

#### **4-10 Personal Leave of Absence (Unpaid)**

HSO recognizes that at times personal circumstances may create situations that necessitate a leave of absence, and while such leaves are rare, every effort will be made to accommodate the employee should the circumstances warrant it. A personal leave of absence is an unpaid period of time that an employee is absent from work without loss of employment for reasons that do not qualify under other leave policies. All personal leaves of absence are at the discretion of the Company. Requests for such a leave must be in writing and include the circumstances surrounding the request. All leave of absences are without pay, unless an employee has available paid time off. Employees taking a leave of absence must use available paid time-off before unpaid leave portion of the leave begins. Should a leave be granted, the employee is still responsible for the usual benefit contributions during this time and vacation accrual will stop during any unpaid periods.

An employee seeking a leave of absence must submit a written request for leave to his/her Supervisor or Human Resources. The request for leave must include:

- Name of employee
- Name of supervisor
- Date of request
- Reason for leave (please provide specifics)
- Anticipated timing and duration of leave
- Signature of employee

Employees must provide 90 days advance notice of the need to take a leave of absence when the need is foreseeable. When 90 days' notice is not possible, the employee must provide notice as soon as practicable, which should be on the same day or next business day of the date the employee becomes aware that the leave is needed. In all cases, employees taking a leave of absence are expected to comply with the Company's normal call-in procedures for taking time off. Employees who provide less than 30 days' notice are required to provide an explanation as to why they were unable to do so. Employees who fail to meet these notice requirements may be denied leave.

Employees on a leave of absence are required to report to the Company periodically regarding his/her status and intention to return to work.

Employees on a leave of absence are not permitted to hold outside employment or consulting jobs without the written permission of the Company. An employee returning from a leave of absence due to a serious health condition will be required to present a fitness-for-duty certificate prior to being



restored to work. If on an unpaid leave, an employee must make arrangements with payroll regarding their health insurance and/or dental deductions. Please note that if an employee fails to report to work on the first day after the expiration of the leave of absence, he/she will be considered as voluntarily terminating his employment.

#### **4-11 Jury Duty Leave**

It is an employee's civic duty as a citizen to report for jury duty whenever called. Employees, full time or part time will be excused from work for serving as a juror.

Full and part time employees will be paid up to one (1) week of jury duty leave. If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off or may request an unpaid jury duty leave of absence. After one week of full pay, employees will be paid in accordance with the applicable State juror fees.

Jury Duty pay is calculated based on the employee's base pay rate at the time of leave. It does not include overtime or any special forms of compensation such as incentives, commissions, or bonuses.

Exempt employees will be paid their full salary for any week in which work is performed.

Employees must notify their group manager upon receipt of a jury summons and are required to present their jury duty summons to the Human Resources Department prior to jury service.

Employees are expected to return to work for any day or any time during a day that jury duty is not required. In order to receive jury duty pay, employees must present a statement of jury service (the court issues this document) to Payroll.

HSO will continue to provide health insurance benefits for the full term of the jury duty absence.

Vacation, sick leave, and holiday benefits will continue to accrue during jury duty leave.

#### **4-12 Military Leave**

HSO Enterprise Solutions recognizes and supports the right of employees to perform military service in the armed forces or the National Guard, and the responsibility of those employees enrolled in the military reserve training programs to be away from the job for periodic training events. Military leave, continuation of benefits and reemployment will be granted in accordance with Uniformed Services Employment and Reemployment Rights Act (USERRA). Employees must submit a copy of their military orders to their manager and Human Resources before the leave commences.

#### **4-13 Military Spouse Leave**

New York State law (HSO provides this benefit to all employees in every state we have employees) permits employees, who work an average of twenty (20) or more hours per week and who have a spouse in the military who is currently deployed during a period of military conflict to a combat theater or combat zone of operations, to take ten (10) days of unpaid leave when the spouse serving in the



military is on leave from the combat theater or combat zone of operations. The term military conflict is defined as "a period of war declared by the United States Congress, or in which a member of a reserve component of the armed services is ordered to active duty" pursuant to various provisions of federal law.

While no advance notice of intention to take leave is required, HSO Enterprise Solutions would appreciate as much notice as possible for scheduling purposes. An employee's vacation days will be unaffected by the decision to take unpaid leave.

HSO Enterprise Solutions will not discriminate against or retaliate against employees who take advantage of this benefit.

#### **4-14 Nursing Mothers**

HSO Enterprise Solutions supports the needs of nursing female employees who express breast milk and provides its employees reasonable break time for this purpose. Employees can use their normal paid break period or meal period or can take a reasonable amount of unpaid break time for this purpose. HSO Enterprise Solutions will make reasonable efforts to accommodate schedule changes to allow the employee to make up for the unpaid time used during the work day to express breast milk, so long as the additional work time requested falls within HSO Enterprise Solutions' normal work schedule. This break time will be provided for up to three years after the birth of a child.

Nursing mothers may be required to provide Human Resources with a birth certificate and will need to reserve the room by signing up in advance. Employees will also sign in and out for each use.

HSO Enterprise Solutions will provide a private room for this purpose in each of our facilities. Employees are responsible for the storage of breast milk and HSO Enterprise Solutions cannot be responsible for, and disclaims any liability or responsibility for, any spoilage that may occur to the milk for any reason.

HSO Enterprise Solutions will not discriminate against or retaliate against employees who take advantage of this benefit.

#### **4-15 Blood Donation**

Employees who work twenty (20) or more hours a week are provided three (3) hours leave of absence in any twelve (12) month period to donate blood.

#### **4-16 Bone Marrow Donation**

Employees who work twenty (20) or more hours a week are permitted to take up to twenty four (24) hours leave of absence to donate bone marrow.

#### **4-17 Short-Term Disability (NY State)**

An employee who works in New York State may be eligible for short-term disability insurance benefits. These benefits are available to employees who are unable to work because of a non-



occupational illness or injury. Employees are to submit the NYS Disability form to Human Resources within 30 days of the onset of the injury or illness. Before returning to work, the employee must provide the Company with a doctor's note stating that he/she is able to perform the duties of his/her job. Employees are to see Human Resources for disability forms or for more information.

#### **4-18 Workers' Compensation**

HSO Enterprise Solutions provides a comprehensive workers' compensation insurance program at no cost to all employees. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses must inform their manager immediately. No matter how minor an on-the-job injury may appear, the employee must report the incident as soon as it occurs. This will enable an eligible employee to qualify for coverage as quickly as possible.



## **SECTION 5 – LEAVING HSO**

### **5-1 Employment Termination**

Upon termination of employment, employees are expected to return all HSO Enterprise Solutions property including but not limited to laptops, keys, cell phones, credit cards, client lists, and information etc. Human Resources will respond to reference requests in writing and will only confirm dates of employment and title.

HSO does not pay out accrued or unused time off when an employee separates from the Company.

HSO accepts written resignations. Employment termination documents must be completed prior to the release of the employee's final paycheck.

HSO will generally schedule exit interviews at the time of employment termination for resignations only. The exit interview will afford an opportunity to discuss issues such as continuation of employee benefits, repayment of outstanding debts to HSO, and return of HSO-owned property. Suggestions, complaints, and questions can also be voiced.

Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination of employment will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

### **5-2 Unemployment Insurance**

If an employee is terminated from employment, that employee can apply for unemployment benefits through the local State Unemployment Office, which determines whether unemployment will be paid.

### **5-3 COBRA**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under HSO Enterprise Solutions' health plan when a "qualifying event" occurs. Some common qualifying events include: resignation; termination of employment or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; or a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at HSO Enterprise Solutions' group rates plus an administrative fee. HSO Enterprise Solutions provides each eligible employee with a written notice describing the rights granted under COBRA and the employee's obligations.





## ACKNOWLEDGMENT OF RECEIPT OF THE EMPLOYEE HANDBOOK

The purpose of this Employee Handbook is to provide the employees of HSO Enterprise Solutions with general information regarding HSO Enterprise Solutions' personnel practices. Neither this Handbook nor any provision of this Handbook is an employment contract or any other type of contract. Due to the nature of HSO Enterprise Solutions' operations, as well as the variations necessary to accommodate individual situations, the guidelines set forth in this Handbook may not apply to every employee in every situation. HSO Enterprise Solutions reserves the rights to rescind, modify, amend or delete these or other guidelines, policies, practices, or procedures relating to employment matters, as it considers necessary in its sole discretion.

\* \* \* \* \*

By signing below:

- I understand this Handbook does not constitute or imply a verbal or written contract between HSO Enterprise Solutions and myself, nor does it alter my right or the right of HSO Enterprise Solutions to terminate the employment relationship at any time for any reason, with or without cause. This status can only be altered by written contract of employment, which is specific as to all material terms and is signed by both myself and Direct of Human Resources of HSO Enterprise Solutions. No prior letter, e-mail, document or message, even if signed by HSO Enterprise Solutions supersedes this handbook and its contents.
- I understand that HSO Enterprise Solutions may, in the future, require an additional signature from me to indicate that I am aware of and understand any new policies, re-issuance of existing policies, and changes to existing policies.
- I acknowledge receipt of the HSO Enterprise Solutions Employee Handbook on the date indicated and agree to read it. Should I have any questions, I will contact Director of Human Resources.
- I understand HSO Enterprise Solutions has the right to amend or modify its contents at any time and that all such modifications will be binding upon all employees.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Human Resources Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**THIS ACKNOWLEDGMENT OR A COPY OF IT SHALL BE MAINTAINED IN THE EMPLOYEE'S PERSONNEL FILE.**