



EMPLOYEE HANDBOOK

SCP-005

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1. INTRODUCTION

This Handbook is designed to acquaint you with Sequence, Inc. and provide you with information about working conditions, benefits, and policies affecting your employment.

The information contained in this Handbook applies to all employees and contractors of Sequence, Inc., unless otherwise noted. Following the policies described in this Handbook is considered a condition of continued employment. However, nothing in this Handbook alters an employee's status. The contents of this Handbook shall not constitute nor be construed as a promise of employment between the Company and any of its employees. The Handbook is a summary of Sequence, Inc. policies.

You are responsible for reading, understanding, and complying with the provisions of this Handbook. Sequence, Inc.'s objective is to provide you with a work environment that is constructive to both personal and professional growth.

1.1. CHANGES IN POLICY

This Handbook supersedes all previous employee Handbook and memos that may have been issued from time to time on subjects covered in this Handbook.

Sequence, Inc. reserves the right to interpret, change, suspend, cancel, or dispute with or without notice all or any part of Sequence, Inc. policies, procedures, and benefits at any time. Sequence, Inc. will notify all employees of these changes. Changes will be effective on the dates determined by the Company, and after those dates all superseded policies will be null.

No individual supervisor or manager has the authority to change policies at any time. If you are uncertain about any policy or procedure, speak with your direct supervisor.

1.2. EMPLOYMENT APPLICATIONS

Sequence, Inc. relies upon the accuracy of information contained in the employment application and the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

1.3. EMPLOYMENT RELATIONSHIP

You enter into employment voluntarily, and you are free to resign at any time for any reason or no reason. Similarly, Sequence, Inc is free to conclude its relationship with any employee at any time for any reason or no reason. Following the probationary period, employees are required to follow the Employment Termination Policy.

2. DEFINITIONS OF EMPLOYEES STATUS

2.1. "EMPLOYEES" DEFINED

An "employee" of Sequence, Inc. is an individual who regularly works for Sequence, Inc. on a wage or salary basis. "Employees" may include exempt, non-exempt, regular full-time, regular part-time, and temporary persons, and others employed with the Company who are subject to the control and direction of Sequence, Inc. in the performance of their duties.

2.1.1. EXEMPT

Employees whose positions are exempt from overtime pay requirements of the Fair Labor Standards Act (FLSA).

2.1.2. NON-EXEMPT

Employees whose positions meet FLSA criteria and who are paid one and one-half their regular rate of pay for hours worked in excess of 40 hours per week.

2.1.3. REGULAR FULL-TIME

Employees who have completed a probationary period and who are regularly scheduled to work 30 or more hours per week.

2.1.4. REGULAR PART-TIME

Employees who have completed a probationary period and who are regularly scheduled to work less than 30 hours per week.

2.1.5. TEMPORARY (FULL-TIME or PART-TIME)

Those whose performance is being evaluated to determine whether further employment in a specific position or with the Company is appropriate (probationary) or individuals who are hired as interim replacements to assist in the completion of a specific project or for vacation relief. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status until they are notified of a change.

2.2. "CONTRACTOR"

A contractor is an individual who is employed by a separate company or agency but is contracted to Sequence and is performing business activities and duties in support of Sequence and/or Sequence clients.

3. EMPLOYMENT POLICIES

3.1. NON-DISCRIMINATION

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Sequence, Inc. will be based on merit, qualifications, and abilities. Sequence, Inc. does not discriminate in employment opportunities or practices because of race, color, religion, sex, national origin, age or disability.

Sequence, Inc. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Employees with questions or concerns about discrimination in the workplace are encouraged to bring these issues to the attention of their supervisor. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination will be subject to disciplinary action, including termination of employment.

3.2. NON-DISCLOSURE/CONFIDENTIALITY

The protection of confidential business information and trade secrets is vital to the interests and success of Sequence, Inc. Such confidential information includes, but is not limited to, the following examples:

- Compensation data
- Financial information
- Marketing strategies
- Pending projects and proposals
- Proprietary production processes
- Personnel/Payroll records
- Conversations between any persons associated with the company
- Company documentation
- Client documentation

All employees are required to sign a non-disclosure agreement as a condition of employment.

Employees who improperly use or disclose trade secrets or confidential business information will be subject to disciplinary action, including termination

of employment and legal action, even if they do not actually benefit from the disclosed information.

3.3. REASONABLE ACCOMODATION (ADA/ ADA AA)

The Americans with Disabilities Act (ADA) and the Americans with Disabilities Amendments Act (ADAAA) are federal laws that require employers with 15 or more employees to not discriminate against applicants and individuals with disabilities and, when needed, to provide reasonable accommodations to applicants and employees who are qualified for a job, with or without reasonable accommodations, so that they may perform the essential job duties of the position.

It is the policy of Sequence, Inc. to comply with all federal and state laws concerning the employment of persons with disabilities and to act in accordance with regulations and guidance issued by the Equal Employment Opportunity Commission (EEOC). Furthermore, it is the company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions and privileges of employment. For more information about this policy please refer to SCP-013.

3.4. NEW EMPLOYEE ORIENTATION

Orientation is a welcoming process that is designed to make the new employee feel comfortable, informed about the company, and prepared for their position. New employee orientation is conducted by a Sequence, Inc. Trainer, and includes an overview of the company history, an explanation of the company core values, vision, and mission; and company goals and objectives. In addition, the new employee will be given an overview of benefits, tax, and legal issues, and complete any necessary paperwork.

Employees are presented with all codes, keys, and procedures needed to navigate within the workplace. The new employee's supervisor then introduces the new hire to staff throughout the company, reviews their job description and scope of position, explains the company's evaluation procedures, and helps the new employee get started on specific functions.

3.5. PROBATIONARY PERIOD FOR NEW EMPLOYEES

A probationary period of 90 days will take effect upon hire of all Sequence, Inc. employees. During this time, employees have the opportunity to evaluate Sequence, Inc. as a place to work and management has its first opportunity to evaluate the employee. During this introductory period, both the employee and the Company have the right to terminate employment without advance notice.

Upon satisfactory completion of the probationary period, the employee's supervisor will review the employee's performance. Any issues identified during the review will be discussed with the employee. All employees, regardless of classification or length of service, are expected to meet and maintain Company

standards for job performance and behavior (see Standards of Conduct section).

3.6. OFFICE HOURS

The Sequence, Inc. corporate office is open for business from 8:00 a.m. to 5:00 p.m. Monday through Friday.

The standard workweek is 40 hours of work (see Overtime section). In the computation of various employee benefits, the employee workweek is considered to begin on Monday (starting at 12:00 a.m.) through Friday (ending at 11:59 p.m.), unless a supervisor makes prior other arrangement with the employee. Extended workweeks where work is required on the weekend are considered to begin Sunday (starting at 12:00 a.m.) through Saturday (ending as 11:59 p.m.).

The Sequence, Inc. corporate office will be closed to observe the following holidays:

- New Year's Day
- Memorial Day
- United States Independence Day
- Labor Day
- Thanksgiving (2 days, Thursday and Friday)
- Christmas Eve
- Christmas Day
- New Year's Eve

3.7. LUNCH PERIODS

Employees are allowed a one-hour maximum period for a lunch break. Lunch breaks generally are taken between the hours of 11 a.m. and 2:00 p.m. on a staggered schedule so that your absence does not create a problem for co-workers or clients.

3.8. PERSONNEL FILES

Employee personnel files include the following: job application, job description, resume, records of participation in training events, salary history, records of disciplinary action and documents related to employee performance reviews, coaching, and mentoring.

Personnel files are the property of Sequence, Inc., and access to the information is limited. Management personnel of Sequence, Inc. who have a legitimate reason to review the file may be allowed to do so.

Employees who wish to review their own file should contact the Business Office Manager or designated alternate. With reasonable advance notice, the employee may review his/her personnel file in Company's office and in the presence of the Business Office Manager.

3.9. PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify their supervisor or Sequence, Inc.'s Business Office Manager of any changes in personnel data such as:

- Mailing address
- Telephone numbers
- Name and number of dependents
- Individuals to be contacted in the event of an emergency

An employee's personnel data should be accurate and current at all times.

3.10. INCLEMENT WEATHER/EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, or power failures can disrupt company operations. The decision to close the office will be made by company executive management and will be communicated via email.

Employees who are actively working at a client site should follow the inclement weather policies of their respective client(s).

When the decision is made to close, employees will receive official notification from their supervisors.

Time off from scheduled work due to emergency closings will be unpaid for all non-exempt employees. However, if employees would like to be paid, they are permitted to use vacation time if it is available to them.

3.11. EMPLOYEE PERFORMANCE REVIEW AND PLANNING SESSIONS

Supervisors will conduct performance reviews and planning sessions with all regular full-time and regular part-time employees annually, at minimum. Supervisors may conduct informal performance reviews and planning sessions more often if they choose.

Performance reviews and planning sessions are designed for the supervisor and the employee to discuss his/her current job tasks, encourage and recognize attributes, and discuss positive, purposeful approaches for meeting work-related goals. Together, employee and supervisor discuss ways in which the employee can accomplish goals or learn new skills. The planning sessions are designed for the employee and his/her supervisor to make and agree on new goals, skills, and areas for improvement.

Sequence, Inc. directly links wage and salary increases with performance. Your performance review and planning sessions will have a direct effect on any changes in your compensation. For this reason among others, it is important to prepare for these reviews carefully, and participate in them fully.

3.12. OUTSIDE EMPLOYMENT

Employees may hold outside jobs in non-related businesses or professions as long as the employee meets the performance standards of their job description with Sequence, Inc. Unless an alternative work schedule has been approved by Sequence, Inc., employees will be subject to the company's scheduling demands, regardless of any existing outside work assignments.

Sequence, Inc.'s office space, equipment, and materials are not to be used for outside employment.

All employees and contractors of Sequence, Inc. will be asked to sign a non-compete agreement when joining Sequence, Inc.

3.13. CORRECTIVE ACTION

Sequence, Inc. holds each of its employees to certain work rules and standards of conduct. When an employee deviates from these rules and standards, Sequence, Inc. expects the employee's supervisor to take corrective action.

Corrective action at Sequence, Inc. is progressive. That is, the action taken in response to a rule infraction or violation of standards typically follows a pattern increasing in seriousness until the infraction or violation is corrected.

The usual sequence of corrective actions includes an oral warning, a written warning, probation, and finally termination of employment. In deciding which initial corrective action would be appropriate, a supervisor will consider the seriousness of the infraction, the circumstances surrounding the matter, and the employee's previous record.

Though committed to a progressive approach to corrective action, Sequence, Inc. considers certain rule infractions and violations of standards as grounds for immediate termination of employment. These include but are not limited to: violations of company, client, or industry ethics, theft in any form, insubordinate behavior, vandalism or destruction of company property, unauthorized access of company or client property, the use of company equipment and/or company vehicles without prior authorization by executive staff, untruthfulness about personal work history, skills, or training, divulging Company business practices, and misrepresentations of Sequence, Inc. to a customer, a prospective customer, the general public, or an employee.

3.14. EMPLOYMENT TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are a few examples of some of the most common circumstances under which employment is terminated:

- Resignation – voluntary employment termination initiated by an employee.
- Termination – involuntary employment termination initiated by Sequence, Inc.

- Layoff – involuntary employment termination initiated by Sequence, Inc. for non-disciplinary reasons.

When an employee intends to terminate his/her employment with Sequence, Inc., he/she shall give Sequence, Inc. at least two (2) weeks written notice.

Since employment with Sequence, Inc. is based on mutual consent, both the employee and Sequence, Inc. have the right to terminate employment at will, with or without cause during the Introductory/Probationary Period for New Employees (see Introductory/Probationary Period for New Employees section) or there afterwards.

Any employee who terminates employment with Sequence, Inc. shall immediately return all files, records, keys, computer equipment/accessories, and any other materials that are property of Sequence, Inc. No final settlement of an employee's pay will be made until all items are returned in appropriate condition. The cost of replacing non-returned items will be deducted from the employee's final paycheck. Furthermore, any outstanding financial obligations owed to Sequence, Inc. will also be deducted from the employee's final check.

Employee's benefits will be affected by employment termination in the following manner. All accrued vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense (see Benefits section) if the employee elects to do so. The employee will be notified of the benefits that may be continued and of the terms, conditions, and limitations.

3.15. SAFETY

Sequence, Inc. provides information to employees about workplace safety and health issues through regular internal communication such as:

- Training sessions
- Team meetings
- Bulletin board postings
- Memorandums
- Other written communications

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

In the case of an accident that results in injury, regardless of how insignificant the injury may appear, employees should notify their supervisor (see Employee Requiring Medical Attention section).

3.16. HEALTH-RELATED ISSUES

Employees who become aware of any health-related issue, including pregnancy, should notify their supervisor or Business Office Manager of health status. This policy has been instituted strictly to protect the employee.

If an employee misses time due to a work-related illness or injury, a written "permission to work" from the employee's doctor is required at the time or shortly after notice has been given. The doctor's note should specify whether the employee is able to perform regular duties as outlined in his/her job description.

A leave of absence may be granted on a case-by-case basis. If the need arises for a leave of absence, employees should notify their supervisor and Business Office Manager.

3.17. EMPLOYEE REQUIRING MEDICAL ATTENTION

In the event an employee requires medical attention, whether injured or becoming ill while at work, the employee's personal physician must be notified immediately. If it is necessary for the employee to be seen by the doctor or go to the hospital, a family member will be called to transport the employee to the appropriate facility. If an emergency arises requiring Emergency Medical Services to evaluate the injury/illness of an employee on-site or transport the employee to a medical facility, the employee will be responsible for any transportation charges unless the illness/injury is work-related. Furthermore, Sequence, Inc.'s employees will not be responsible for transportation of another employee due to liabilities that may occur.

A physician's "return to work" notice may be required.

3.18. BUILDING SECURITY

All employees who are issued keys to the Sequence, Inc. and/or client office are responsible for their safekeeping. The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that all doors are securely locked, the alarm system is armed, thermostats are set on appropriate evening and/or weekend setting, and all appliances and lights are turned off with exception of the lights normally left on for security purposes. Employees are not allowed on Company property after hours without prior authorization from management.

3.19. INSURANCE ON PERSONAL EFFECTS

All employees should be sure that their own personal insurance policies cover the loss of anything occasionally left at the office. Sequence, Inc. assumes no risk for any loss or damage to personal property.

3.20. SUPPLIES; EXPENDITURES; OBLIGATING THE COMPANY

Only authorized persons may purchase supplies in the name of Sequence, Inc. No employee whose regular duties do not include purchasing shall incur any

expense on behalf of Sequence, Inc. or bind Sequence, Inc. by any promise or representation without prior written approval.

3.21. EXPENSE REIMBURSEMENT

Expenses incurred by an employee must have prior approval by a supervisor. All completed reimbursement requests should be submitted to the Accounts Payable/Payroll Department. All expenses submitted must be accompanied by a receipt. Any expenses submitted without a receipt will not be reimbursed. Mileage incurred as a result of performing services for the Company must be properly documented and submitted with the expense report. For more information on expense reimbursement, refer to the Company Travel Policy.

3.22. PARKING

Employees must park their cars in areas indicated and provided by the Company and/or client.

3.23. VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at Sequence, Inc. and client sites, only authorized, work-related visitors are allowed in the workplace. Restricting unauthorized visitors helps ensure security, decreases insurance liability, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

3.24. IMMIGRATION LAW COMPLIANCE

Sequence, Inc. employs only United States citizens and those non-U.S. citizens authorized to work in the United States in compliance with the Immigration Reform and Control Act.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Sequence, Inc. within the past three years or if their previous I-9 is no longer retained or valid.

4. STANDARDS OF CONDUCT

4.1. Overview

The work rules and standards of conduct for Sequence, Inc. are important, and the Company regards them seriously. All employees are urged to become familiar with these rules and standards. In addition, employees are expected to follow the rules and standards faithfully in doing their own jobs and conducting the Company's business. Please note that any employee who deviates from these rules and standards will be subject to corrective action, up to and including termination of employment (see Corrective Action section).

While not intended to list all the forms of behavior that are considered unacceptable in the workplace, the following are examples of rule infractions or misconduct that may result in disciplinary action, including termination of employment.

- Theft or inappropriate removal or possession of property;
- Falsification of timekeeping records (see Timekeeping section);
- Working under the influence of alcohol or illegal drugs (see Substance Abuse section);
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace (see Substance Abuse section);
- Fighting or threatening violence in the workplace;
- Boisterous or disruptive activity in the workplace;
- Negligence or improper conduct leading to damage of company-owned or customer-owned property;
- Insubordination or other disrespectful conduct;
- Violation of safety or health rules;
- Smoking in the workplace;
- Sexual or other unlawful or unwelcome harassment (see Harassment, Including Sexual Harassment section);
- Excessive absenteeism or any absence without notice (see Attendance/Punctuality and Absence without Notice sections);
- Unauthorized use of telephones, or other company-owned equipment (see Telephone Use section);
- Using company equipment for purposes other than business (i.e. playing games on computers or personal Internet usage);
- Unauthorized disclosure of business “secrets” or confidential information;
- Violation of personnel policies; and
- Unsatisfactory performance or conduct.

4.2. ATTENDANCE/PUNCTUALITY

The Company expects that every employee will be regular and punctual in attendance. This means being in the office, ready to work, at their starting time each day. Absenteeism and tardiness places a burden on clients, other employees, and the Company.

If you are unable to report for work for any reason, notify your supervisor before your regular starting time. You are responsible for speaking directly with your supervisor about your absence. It is not acceptable to leave a message on a supervisor’s voicemail, except in extreme emergencies. In the case of leaving a voicemail message, a follow-up call must be made later that day. The company phone number is 919-844-7171. Employees are also expected to be sure their client is notified of their absence as well. Employees who are between client projects, or on the “bench”, are expected to report to their local Sequence office daily, unless prior approval for working remotely has been granted by their manager. Employees on bench time will be assigned company-related tasks.

Should undue tardiness become apparent, disciplinary action may be required.

If there comes a time when you see that you will need to work some hours other than those that make up your usual work week, notify your supervisor in advance. Each request for special work hours will be considered separately, in light of the employee's needs and the needs of the Company. Such requests may or may not be granted.

Due to the nature of our business, all employees are expected to maintain an acceptable level of billable hours each year.

4.3. ABSENCE WITHOUT NOTICE

When you are unable to work owing to illness or an accident, please notify your supervisor. This will allow the Company to arrange for temporary coverage of your duties, and helps other employees to continue work in your absence. If you do not report for work and the Company is not notified of your status, it will be assumed after two consecutive days of absence that you have resigned, and you will be removed from the payroll.

If you become ill while at work or must leave the office for some other reason before the end of the workday, be sure to inform your supervisor and/or client of the situation before leaving the office.

4.4. HARASSMENT, INCLUDING SEXUAL HARASSMENT

Sequence, Inc. is committed to providing a work environment that is free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic will not be tolerated.

If you believe you have been the victim of harassment, or know of another employee who has, report it immediately. Employees can raise concerns and make reports without fear of reprisal.

Any supervisor who becomes aware of possible harassment should promptly advise their supervisor who will handle the matter in a timely and confidential manner.

4.5. TELEPHONE USE

Sequence, Inc. and client telephones are intended for the use of serving clients and in conducting the Company's business.

Personal usage during business hours is discouraged except for extreme emergencies. All personal telephone calls should be kept brief to avoid congestion on the telephone line.

To respect the rights of all employees and avoid miscommunication in the office, employees must inform family members and friends to limit personal telephone calls during working hours.

If an employee is found to be deviating from this policy, he/she will be subject to disciplinary action (see Corrective Action section).

4.6. PUBLIC IMAGE

A professional appearance is important anytime that you come in contact with customers or potential customers. Employees should be well-groomed and dressed appropriately for business and for their position in particular.

The minimum level of dress considered appropriate for Sequence Inc. employees interacting with clients is business casual. Business casual is defined as:

Men:

Trousers/khakis
Shirt with a collar

Women:

Trousers/knee-length skirt
blouse or shirt with a collar

The following items are considered inappropriate working attire for Sequence, Inc.:

- Denim jeans
- Thongs/flip-flops
- Spaghetti-strapped shirt
- Tank tops or revealing shirts
- Short mini skirts
- Sheer clothing
- T-shirts
- Athletic or "logo" wear
- Any articles of clothing with inappropriate or offensive gestures or advertising

When meeting with a client, the dress code is more business-oriented, including attire such as:

- Slacks and dress shirt or blouse
- Dress or skirt and blouse

If management occasionally designates "casual days," appropriate guidelines will be provided to you.

Consult your supervisor if you have any questions about appropriate business attire.

In addition to the policies outlined above, all employees are expected to observe the dress code policies of any and all clients to which they are assigned.

NOTE: Sequence, Inc. recognizes that in certain cases an employee's specific duties, whether on behalf of Sequence or a Sequence client, may dictate wearing of attire that does not meet the minimum standards described above.

For example, a manufacturing systems consultant working a new facility or start-up may wish to wear jeans when performing certain duties such as walking down drawings. These cases should be considered on a case-by-case basis. When the employee returns to working in an office environment they should adhere to the standards described above.

4.7. SUBSTANCE ABUSE

The Company is committed to providing a safe and productive workplace for its employees. In keeping with this commitment, the following rules regarding alcohol and drugs of abuse have been established for all staff members, regardless of rank or position, including both regular and temporary employees. The rules apply during working hours to all employees of the Company while they are on Company premises or elsewhere on Company business.

The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on Company property is prohibited.

Being under the influence of illegal drugs, alcohol, or substances of abuse on Company property is prohibited.

Working while under the influence of prescription drugs that impair performance is prohibited.

So that there is no question about what these rules signify, please note the following definitions:

Company property: All Company owned, leased property, and client sites used by employees.

Controlled substance of abuse: Any substance listed in Schedules I-V of Section 202 of the Controlled Substance Act, as amended.

Drug: Any chemical substance that produces physical, mental, emotional, or behavioral change in the user.

Drug paraphernalia: Equipment, a product, or material that is used or intended for use in concealing an illegal drug, or otherwise introducing into the human body an illegal drug or controlled substance.

Illegal drug:

- a. Any drug or derivative thereof whose use, possession, sale, transfer, attempted sale or transfer, manufacture, or storage is illegal or regulated under any federal, state, or local law or regulation.
- b. Any drug, including – but not limited to – a prescription drug, used for any reason other than that prescribed by a physician.
- c. Inhalants used illegally.

Under the influence: A state of not having the normal use of mental or physical faculties resulting from the voluntary introduction into the body of an alcoholic beverage, drug, or substance of abuse.

Consistent with the rules listed above, any of the following actions constitutes a violation of the Company's policy on drugs and may subject an employee to disciplinary action, up to and including immediate termination.

Using, selling, purchasing, transferring, manufacturing, or storing an illegal drug or drug paraphernalia, or attempting to or assisting another to do so, while in the course of employment.

Working or reporting to work, conducting Company business or being on Company property while under the influence of an illegal drug or alcohol, or in an impaired condition.

4.8. TOBACCO PRODUCTS

The use of tobacco products, including electronic cigarettes, is not permitted anywhere on the Company's and client's premises except in authorized and designated locations. Employees must follow all rules posted in designated smoking areas and adhere to all policies associated with this policy (see Break Periods and Safety sections).

4.9. INTERNET USE

Sequence, Inc. employees are allowed use of the Internet and e-mail when necessary to serve clients and conduct the Company's business.

Employees may use the Internet when appropriate to access information needed to conduct business of the Company. Employees may use e-mail when appropriate for Company business correspondence.

Use of the Internet must not disrupt operation of the company computer network. Use of the Internet must not interfere with an employee's productivity. Employees are responsible for using the Internet in a manner that is ethical and lawful.

Internet messages are public and not private. Sequence, Inc. reserves the right to access and monitor all files and messages on its systems.

5. WAGE, SALARY, AND TIMEKEEPING POLICIES

5.1. PAYDAYS

All employees are paid monthly. In the event that a regularly scheduled payday falls on a weekend or holiday, employees will receive pay on the last banking day of the month. Expense reimbursement will also be paid monthly on the 15th and will follow the same scheduling guidelines as salary/hourly pay (see the Company Travel Policy for additional information).

Paychecks or pay statements will not, under any circumstances, be given to any person other than the employee without written authorization. Paychecks will be deposited directly into the employee's bank account.

5.2. WAGE OR SALARY INCREASES

Each employee's hourly wage or annual salary will be reviewed at least once each year. The employee's review date will usually be conducted on or about the anniversary date of employment or the date of the previous compensation review. Such reviews may be conducted more frequently for a newly created position or based on a recent promotion.

Increases will be determined on the basis of company profitability, performance, adherence to company policies and procedures, and ability to meet or exceed duties per job description and achieve performance goals (see Performance Review/Planning Sessions section).

Although the Company's salary ranges and hourly wage schedules will be adjusted on an ongoing basis, Sequence, Inc. does not grant "cost of living" increases. Performance is the key to wage increases in the Company.

5.3. OVERTIME PAY/COMP TIME

Sequence, Inc. is open for business 40 hours per week. Overtime compensation is paid to non-exempt employees in accordance with federal and state wage and hour restrictions. Overtime is payable for all hours worked over 40 per week at a rate of one and one-half times the non-exempt employee's regular hourly rate. All overtime work performed by non-exempt employees must receive prior approval from their Sequence, Inc. manager. Overtime worked without prior authorization from the supervisor may result in disciplinary action.

Exempt employees are eligible for overtime pay if authorization is obtained from their supervisor for the overtime hours worked. If authorization is obtained, exempt employees will receive overtime at the equivalent of the employee's hourly rate for hours over 45 worked in a calendar week (Sunday – Saturday).

Time off for vacation, personal time, holidays, sickness, or any leave of absence will not be considered hours worked when calculating overtime.

Compensatory (or Comp) time is defined as:

- Time off with pay in lieu of overtime pay for irregular or occasional overtime work.

Exempt Employees may choose to request that earned overtime be designated as comp time in lieu of overtime pay. All requests for comp time must be approved by the employee's manager. If approved, 1 hour of compensatory time off is granted for each client billable hour of overtime work. Comp time will only be granted in lieu of overtime pay for client billable overtime hours, i.e., client billable hours must exceed 45 in a given week in order to be eligible to earn comp time.

Comp time may not be carried over from one calendar year to the next. No more than 5 days of comp time may be taken at one time, except under extraordinary circumstances. Employees may not accumulate more than 40

hours of comp time at any given time and may not accumulate more than 80 hours of comp time in a calendar year.

Comp time hours accrued and used will be maintained and tracked in the timekeeping system provided by the Company. Each employee is responsible for verifying his/her comp time is accurate.

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Requests for comp time off must be made at least one week in advance with the exception of illness or emergency. Upon termination, unused earned comp time will be paid in a lump sum in the employee's final paycheck.

Sequence expects that full-time exempt employees will regularly work a normal 40-hour week. However, there may be an occasional need for an employee to work less than 40 hours in a given week (e.g., medical appointment, etc). Exempt employees who work less than 36 hours in a calendar week should take comp time or PTO to bring hours to a full week of 40.

5.4. TIMEKEEPING

Accurately recording time worked is the responsibility of every employee. Time worked is the time actually spent on a job(s) performing assigned duties. Employees are responsible for accurately documenting their time spent on individual jobs.

Sequence, Inc. does not pay for extended breaks or time spent on personal matters.

Altering, falsifying, or tampering with time records will result in disciplinary action, including termination of employment.

Timesheets – Employees will complete and submit timesheets for management approval in accordance with SCP-011.

5.5. JURY DUTY/MILITARY LEAVE

Employees will be granted time off to serve on a jury or military leave without pay unless PTO is taken. A copy of the jury duty summons and all other associated paperwork are required for the personnel file.

6. BENEFITS AND SERVICES

6.1. OVERVIEW

Sequence, Inc. offers benefits programs for regular full-time exempt and non-exempt employees. All benefit programs are subject to approval by Sequence, Inc. insurance/financial providers and thus Sequence, Inc. implies no guarantees of eligibility. Detailed information on company benefits is available to qualifying employees upon request.

6.2. GROUP INSURANCE

Sequence, Inc. provides group health, group dental, general liability, professional liability, errors and omissions, property damage, and workers compensation insurance for all employees. Regular full-time exempt employees are eligible for a supplemental benefits package including life and disability insurance per the current Company benefits standards. A detailed explanation of insurance coverage is available to employees upon request.

6.3. SOCIAL SECURITY/MEDICARE

Sequence, Inc. withholds income tax from all employees' earnings and participates in FICA (Social Security) and Medicare withholding and matching programs as required by law.

6.4. RETIREMENT

Sequence, Inc. offers a matching retirement program for qualifying employees. For information pertaining to retirement benefits contact Sequence, Inc. human resources.

6.5. TRAINING AND PROFESSIONAL DEVELOPMENT

Sequence, Inc. recognizes the value of professional development and personal growth of employees. Sequence, Inc. encourages its employees to pursue educational opportunities that are beneficial to the employee and the company. When an employee is interested in pursuing an educational seminar, prior approval should be requested from their supervisor.

6.6. PAID TIME OFF (PTO)

PTO General Guidelines

Regular full-time exempt and regular full-time non-exempt employees are eligible for PTO. PTO time must be taken for all scheduled holidays, vacation, sick, and personal time. PTO may be taken in half-day increments of time. Requests for PTO must be made at least one week in advance with the exception of illness or emergency. Upon termination, unused earned PTO will be paid in a lump sum in the employee's final paycheck. If negative PTO is accrued (employee has taken more PTO than he/she was eligible for), Sequence, Inc. will deduct the negative PTO from the last paycheck.

No more than one week of PTO may be taken at one time, except under extraordinary circumstances. Requests for more than one week of PTO should be submitted to the immediate Manager in writing at least ninety 90 days prior to the beginning of the requested PTO period.

Sequence, Inc. encourages all employees to make the most of their PTO time. Regular breaks from daily work make everyone more productive. However, because circumstances do not always permit everyone to take PTO time when it is requested, Sequence, Inc. will offer employees the option of carrying unused

PTO time over into the next calendar year. However, accruing PTO beyond the annual maximum will not be allowed. If an employee has accrued the full annual amount of PTO hours at a given time, accruals will stop until the employee has depleted a portion of their accrued hours to bring the total below the annual maximum. Sequence does not offer the option of taking the dollar equivalent of their earned and unused PTO hours at their regular pay rate at the end of the year.

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PTO hours accrued and used will be maintained and tracked in the timekeeping system provided by the Company. Each employee is responsible for verifying his/her PTO time is accurate.

Exempt employees who work less than 36 hours in a calendar week should take comp time (see section 5.3) or PTO to bring hours to a full week of 40.

PTO Guidelines for Exempt Employees

Each regular full-time exempt employee will earn 192 hours of PTO per calendar year. Earned PTO time will accrue monthly at a rate of 16 hours per calendar month.

If a new employee begins their employment in January and works the full year, they will earn the full 192 hours of PTO time. If an employee begins their employment February and works the full year, that employee would earn 174 hours of PTO time, and so on.

PTO Guidelines for Non-Exempt Employees

Each regular full-time non-exempt employee will earn PTO at the rate of 0.02 hours per client-billable hour worked up to 40 hours per week. PTO will not accrue for hours worked beyond 40 in a week.

Example: Employee works 40 hours per week for 50 weeks
 $40 \times 50 = 2,000$ hours
Earned PTO = 2,000 hours worked \times 0.02 = 40 hours

6.7. BEREAVEMENT POLICY

An employee who wishes to take time off due to the death of an immediate family member should notify his or her supervisor immediately. Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. An employee may, with his or her supervisor's approval, use any available vacation for additional time off as necessary. Bereavement pay is calculated based on the base pay rate at the time of absence, and it will not include any special forms of compensation, such as incentives, commissions, bonuses, overtime or shift differentials.

Paid bereavement leave will be granted according to the following schedule:

- Employees are allowed up to three consecutive days off from regularly scheduled duty with regular pay in the event of the death of the employee's spouse, child, father, father-in-law, mother, mother-in-law,

son-in-law, daughter-in-law, brother, sister, stepfather, stepmother, stepbrother, stepsister, stepson or stepdaughter. To be eligible for paid bereavement leave, the employee generally must attend the funeral of the deceased relative.

- Employees are allowed one day off from regular scheduled duty with regular pay in the event of death of the employee's brother-in-law, sister-in-law, aunt, uncle, grandparent, grandchild or spouse's grandparent. To be eligible for paid bereavement leave, the employee generally must attend the funeral of the deceased relative.
- Employees are allowed up to four hours of bereavement leave to attend the funeral of a fellow regular employee or retiree of the company, provided such absence from duty will not interfere with normal operations of the Company.

Employees will be granted a maximum of 3 days of bereavement in a calendar year. Employees requiring additional bereavement time may use PTO or comp time.

6.8. FAMILY AND MEDICAL LEAVE (FMLA)

The company offers leave consistent with the requirements of the federal Family and Medical Leave Act (FMLA). Under the FMLA, an employee may be eligible for an unpaid family and medical leave of absence under certain circumstances. Under the federal FMLA, a person who has worked as an employee of this company for at least 1,250 hours for twelve months is eligible for FMLA leave.

Up to twelve weeks of unpaid leave per year is available for the following reasons:

- The birth of a child and to care for the newborn child;
- Placement of a child into adoptive or foster care with the employee; -
- Care for a spouse, son, daughter or parent who has a serious health condition;
- Care for the employee's own serious health condition.
- Exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

Questions regarding particular benefits should be directed to Human Resources. Please refer to SCP_012 for specific policy information.

Upon returning from FMLA leave, an employee will be restored to his/her original job or an equivalent job with equivalent benefits, pay, seniority, and other employment terms and conditions as provided by the Family and Medical Leave Act.


7. EMPLOYEE COMMUNICATIONS

7.1. STAFF MEETINGS

Routine staff meetings will be held. These informative meetings allow employees to be informed on recent company activities, changes in the workplace and employee recognition.

7.2. PROCEDURE FOR HANDLING COMPLAINTS

Under normal working conditions, employees who have a job-related problem, question or complaint should first discuss it with their immediate supervisor. At this level, employees usually reach the simplest, quickest, and most satisfactory solution. If the employee and supervisor do not solve the problem, Sequence, Inc. encourages employees to contact Sequence Operations Management.

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REVISION HISTORY

Version 05 Effective on 01-Jan-2015 by Larry Hudson

Please refer to the version history.

Version 06 Effective on 01-Nov-2015 by Larry Hudson

New ADA/ ADAAA, FMLA, and Time Keeping update for Exempt Employees

DOCUMENT ELECTRONIC SIGNATURES

DOCUMENT APPROVAL WORKFLOW

Author Approval

Larry Hudson

I am the author of this document.

Signed 1:46:49 PM UTC 02-Oct-2015

Required Workflow Steps for this Category

Jeffrey S Price

Sequence, Inc. / System Owner

I have reviewed and approve this document.

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