

# **GEOLABS, INC. EMPLOYEE HANDBOOK**



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**APPENDIX A**

**APPENDIX B**

**DISCLAIMER**

**ACKNOWLEDGEMENT**

## **WELCOME**

Dear Employee:

Aloha and welcome to Geolabs, Inc. We are pleased to have you with us. We believe our employees are an important asset.

This handbook contains general descriptions of Geolabs' current policies and guidelines but it does not constitute an agreement or an employment contract. In order to keep our policies and guidelines current, the Company reserves the right to modify, suspend or terminate any or all plans, policies, or procedures at any time, with or without cause. Management has the right to make final decisions regarding the interpretation and application of the policies and procedures described in this manual.

After reviewing this handbook, you may still have questions about particular policies and guidelines. If so, please contact your supervisor or the HR Manager.

Thank you for joining our Company.

Robin M. Lim  
President

## COMPANY BACKGROUND

Geolabs, Inc. is a Hawaii-based Company established in 1975. It is employee-owned and provides geotechnical-engineering services throughout the State of Hawaii and the Pacific Basin. The Company is an independent organization directed chiefly by engineers working with other professionals, specialists and technicians in related fields.

Our principal office is located in Honolulu, Hawaii and has a Drilling and Laboratory Department. Our Maui office in Kahului consists of a Laboratory and our Oakland, California office specializes in Geotechnical and Earthquake engineering. We also have employees working on the Big Island and Kauai.

**Our Mission Statement:** “It is the goal of Geolabs, Inc. to provide geotechnical engineering service that incorporates high standards of professionalism, ethics, and engineering excellence in Hawaii and the Pacific Rim; to provide a stimulating work environment that promotes teamwork, retains valued employees, is accident free, and reduces waste.

### **Employee Handbook Purpose and Management Rights**

This Employee Handbook (“Handbook”) provides an overview of the Company’s history, values, performance expectations, employment policies and general work rules pertinent to employment with Geolabs, Inc. In addition, the Handbook provides a general overview of the benefits available to eligible employees while employed with Geolabs, Inc. The Handbook is not designed to explain benefits policy or administration of benefits, which are governed by the health plan document.

**This Handbook contains general descriptions of Geolabs, Inc.’s current policies and guidelines but IT DOES NOT CONSTITUTE AN AGREEMENT OR AN EMPLOYMENT CONTRACT. Geolabs, Inc. reserves the right to alter, delete, or add to any of the provisions of this Handbook at any time and to change or modify any of the employee benefits which are described herein, without notice or consideration to employees, to the extent permitted by law. Further, Geolabs, Inc. reserves for its management representatives all the normal and customary rights of management, such as the right to supervise and control all operations; direct all work; interpret, change or cancel all Company guidelines and policies at any time with or without notice, provided each change is authorized by the Geolabs, Inc.’s President or designated representative and is in writing; and in its discretion to hire, schedule, train, terminate, layoff, transfer, promote, reward, evaluate, discipline or otherwise deal with its employees and select the manner, method, and means of production. These rights are not limited or waived by any provision in this employee handbook or any other statements or documents.**

**This Handbook supersedes all previous spoken or written policies relating to the items covered in this Handbook.**

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## 1. EMPLOYMENT PRACTICES

### 1.1 EQUAL EMPLOYMENT OPPORTUNITY

Geolabs, Inc. (the Company) provides equal employment opportunities (EEO) to all employees and applicants for employment without regard to race, color, religion, gender or gender identity, sexual orientation, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran and lactation in accordance with applicable federal, state and local laws. The Company complies with applicable state and local laws governing nondiscrimination in employment in every location in which the Company has facilities. This policy applies to all terms and conditions of employment including hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

The Company expressly prohibits any form of unlawful employee harassment based on race, color, religion, gender or gender identity, sexual orientation, national origin, age, genetic information, disability, or veteran status. Improper interference with the ability of the Company employees to perform their expected job duties is absolutely not tolerated. **For more details, see the Company's Policy prohibiting sexual and other forms of unlawful harassment in Section 7 of this Employee Handbook.**

The Company will make accommodations to **enable an** otherwise qualified individual with a **protected** disability, **whether** an applicant or employee, to **perform the essential functions of the relevant position, unless such accommodations are unreasonable or pose an** undue hardship **to the Company**. This policy governs all aspects of hiring, promotion, discharge, pay, fringe benefits, job training, classification, referral, and other aspects **related to the terms and conditions of** employment. Employees should raise reasonable accommodation requests with their supervisor or the HR Manager.

In addition to a commitment to provide equal employment opportunities to all qualified individuals, the Company has established an affirmative action program to promote opportunities for individuals in certain protected classes throughout the organization. Please see the HR Manager to review the *Affirmative Action Plan*.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the HR Manager. Employees **are expected to** raise concerns and make reports **and may do so** without fear of **any form of retaliation or** reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment. The Company will take effective corrective action to prevent future occurrences of prohibited conduct.

**Neither** this policy **nor those outlined in Section 7 of this employee handbook** creates any contractual promises, but instead is a description of the standards of behavior expected of all employees.



### 1.2 BUSINESS ETHICS POLICY

We adhere to the highest standards of ethics, responsibility and accountability. All employees shall at all times: comply with all laws and the highest standards of business ethics and conduct in every state in which the Company conducts business; avoid situations which might involve a conflict between their personal interests and the interest of the Company, and those situations which create the appearance of conflict; and protect confidential and proprietary information held by the Company or entrusted to it. If you have any concerns about the business ethics of the Company and its employees, we encourage you to bring them to management's attention without fear of retaliation.

### 1.3 EMPLOYMENT STATUS AND CLASSIFICATIONS

An "employee" of the Company is a person who works for the Company on an hourly wage or salary basis that is on the payroll to whom we issue a W-2. "Employees" may include exempt, non-exempt, full-time, part-time, temporary and on-call persons, and others employed with the Company who are subject to the control and direction of the Company in the performance of their duties.

#### 1.3.1 Employment Status

The first 6 months of your employment provide you and the Company with the opportunity to learn more about each other and to evaluate whether the job for which you were hired is suitable to your skills, personality, and career goals. The Company may extend your introductory period for any reason.

WHETHER OR NOT YOUR EMPLOYMENT CONTINUES AFTER THE INTRODUCTORY PERIOD, YOUR EMPLOYMENT WITH THE COMPANY **REMAINS** AT-WILL, **BOTH DURING AND AFTER YOUR INTRODUCTORY PERIOD**; THAT IS, YOU RETAIN THE RIGHT TO TERMINATE YOUR EMPLOYMENT WITH THE COMPANY, WITHOUT PRIOR NOTICE OR REASON, AND THE COMPANY RETAINS THE RIGHT TO TERMINATE YOUR EMPLOYMENT AT ANY TIME WITHOUT PRIOR NOTICE OR REASON.

#### 1.3.2 Employment Classifications

- a. Full-time employees are regularly scheduled for 40 or more hours of work per week.
- b. Part-time employees are regularly scheduled to work fewer than 40 hours in a normal workweek.
- c. Temporary employees are hired for a **specified** period, whether full-time **or** part-time, and regardless of the hours worked per week.

### 1.3.3 Exempt or Non-Exempt Status

Under the wage and hour laws, employees are classified as exempt or nonexempt employees. You will fall into one of these two classifications depending on your duties and salary.

Non-exempt employees include all hourly employees who are covered by the overtime provisions of the federal Fair Labor Standards Act and the state wage and hour law. Employees in this category are entitled to premium pay for **any** work performed in excess of 40 hours in a **single** workweek.

Exempt employees include all eligible employees whose **duties and salaries qualify them as** exempt from the overtime provisions of the federal Fair Labor Standards Act and state wage and hour law. Such employees **may** include executive, administrative, and professional employees, and **those** other employees who are not **covered by the** overtime **provisions**. See Section 2.5, Overtime.

The Company intends to pay its exempt employees on a salary basis and will not make **any** deductions from their salary that **are otherwise** prohibited **by the Fair Labor Standards Act or any other state or federal wage and hour or payment of wages laws**.

### 1.4 HIRE DATE

Your first day of employment is your “hire date” at the Company and will be used to determine your eligibility for benefits. The “hire date” for part-time and temporary employees who transfer without interruption into full-time employment is the first date on which they began any employment, for the purpose of computing certain benefits. **The “hire date” for temporary employees who transfer without interruption into part-time or full-time employment is the first date on which they began any employment, for the purpose of computing eligibility for certain benefits. See Section 3.2, Time Schedule of Benefits.**

### 1.5 REHIRE DATE

**A former employee returning to the Company within 5 years of separation have certain benefits immediately reinstated on the date of rehire, using the employees original hire day prior to their separation. If a break in service is 5 years or longer, the prior years the employee was employed by the Company cannot count toward years of service.**

### 1.6 MEDICAL EXAMINATION

The Company requires a medical examination including drug and alcohol testing to be conducted by a health professional of the Company’s choice after making a conditional offer of employment to a job applicant, and before employment begins. The Company pays the costs associated with the medical examination and tests. An offer of

employment is conditioned on the results of the examination to the extent permissible under state and federal law.

For current employees, a job-related medical examination may be required to verify your physical ability to perform the essential functions of the job and/or to identify activity limitations or restrictions and/or to provide reasonable accommodations. The Company may also require a medical examination for the purpose of identifying a significant health or safety risk or for any other reason required by federal, state, or other law.

The following are examples of situations in which a medical examination or certification may be required:

- A. When an employee wishes to return to work following an absence due to illness or injury: A doctor's certification releasing the employee back to work **may be** required. An examination may be conducted to determine if the employee, with or without reasonable accommodation, can safely and effectively perform the essential functions of the job **or an equivalent available position**.
- B. When an employee requests an accommodation: A doctor's certification is required to determine and identify any potential reasonable accommodations **that will enable the employee to safely perform the essential functions of the job**.
- C. When the examination is required by federal and state law: Medical examination or monitoring **may be** required under certain circumstances by regulations and laws, such as those issued by the Department of Transportation and the Occupational Safety and Health Administration.

All information obtained from a medical examination will be kept confidential and separate from other employee information. Access to this information will be limited to those who have a legitimate need to know.

### 1.7 OUTSIDE EMPLOYMENT

The Company is committed to maximizing the quality of service that it provides to its clients. The Company requires employees to notify their supervisors about any outside employment opportunities.

If the Company determines that an employee's outside work interferes with performance, impairs the employee's objectivity or judgment in the exercise of his/her duties for the Company, or interferes with the ability to meet the requirements of the Company as they are modified from time to time, the employee may be asked to terminate the outside employment if s/he wishes to remain with the Company.

**Outside employment that the Company determines conflicts with or is contrary to its interests is prohibited. Employees who are engaged in outside employment may not utilize Company facilities, resources, property, or staff in support of such activities. In addition, outside activities that reflect unfavorably upon our Company may lead to termination.**

### 1.8 WORK SCHEDULE

The Company's office hours are 7:00 AM to 5:00 PM, Monday through Friday.

Shop and at job site hours are 7:00 AM to 3:30 PM, Monday through Friday. Under some circumstances, and for certain individuals, the work schedule may vary from the above. The Company may need to revise working hours to fit the needs of individual projects. When this occurs, you will be advised of the change and will be expected to comply.

At field locations, hours of work will depend on the project, the site, and local conditions but the work week will generally be 40 hours each week. Hours of work for employees on overseas or out of town assignments will be determined by project requirements, the site, and by what is most effective and efficient.

The standard work week is defined as the seven consecutive-day period within which overtime will be paid to those employees who are required to be paid overtime when hours worked are considered to be overtime. See Section 2.5, Overtime. The work week begins at 12:01 AM Monday and concludes at midnight on the following Sunday.

### 1.9 BREAK AND MEAL PERIODS

Hourly employees who work less than an 8-hour workday but work at least 4 hours are allowed one paid 15-minute break during their regular work hours. Hourly employees who work an 8-hour workday are allowed two paid 15-minute breaks during their regular workday. Unused break times may be shifted in order to extend an unpaid lunch period within the same day. Employee approved to do so will be paid for the shifted paid break times and will not be paid for the normally-scheduled, unpaid lunch period. Employees that do not take any portion of their paid breaks during the day will not be allowed to utilize those unused paid break times outside their normally scheduled work time each day.

### 1.10 PERSONNEL DATA CHANGES

For benefits administration and emergency purposes, it is your responsibility to immediately notify the HR Manager of any change in your residence address, phone and cellular numbers, number and names of dependents, the name and phone number of a person to contact in the event of an emergency, or other necessary personal information. An Address/Emergency Change Form can be obtained from HR Manager. Updates can also be made through the employee ADP portal.

### 1.11 PROMOTIONS AND TRANSFERS

The Company believes that employees are valued assets and is committed to placing employees in positions best suited to their talents, skills, and abilities. Therefore, whenever possible and practical, qualified internal applicants are given first consideration for promotions and transfers, when such consideration is consistent with the Company's affirmative action policy, and in accordance with operational and management goals.

Selection decisions will be based on job related factors such as experience, skills, knowledge, education, training, ability, work record, **and current and anticipated business conditions and needs**. We affirm our policy of equal employment opportunity for promotion and transfer.

### 1.12 SEPARATION OF EMPLOYMENT

Employee benefits will be affected by employment termination in the following manner. Your medical benefits may be continued for a period of up to 18 months, at the employee's expense after termination if the employee elects to. *See Section 3.14, COBRA.*

EMPLOYMENT AT OUR COMPANY IS AT-WILL; THAT IS, EITHER YOU OR THE COMPANY MAY TERMINATE YOUR EMPLOYMENT AT ANY TIME, FOR ANY REASON WITH OR WITHOUT NOTICE.

#### 1.12.1 Termination

If your employment is terminated by the Company, you will be paid your wages due in full at time of discharge or not later than the next working day if discharge occurs at a time and under conditions that prevent immediate payment.

#### 1.12.2 Resignation

**If you** voluntarily resign, we ask that you give **management two weeks' advance** written notice. This advance notice provides time for the Company to prepare **for your departure, transition your duties, prepare** your paycheck, and **process the return of** any Company property issued to you.

Employees who quit or resign without giving at least two weeks' notice of intention to quit will be paid wages due in full not later than the next regular payday.

**On or before the last day of work, all** employees must return office and/or vehicle keys, cell phone, camera, laptop computer, and all other Company **property issued to them**.

#### 1.12.3 Layoff

When employees are temporarily laid off due to a lack of work, layoffs will be governed by Company work requirements. A temporary layoff may also result from circumstances beyond the control of the Company, such as a fire or other unforeseen event. In such cases, the Company may be forced to adjust its work force immediately. When this happens, employees will be laid off without regard to Company service for a period not to exceed 30 days. Should the need for a reduced workforce exceed 30 days, employees will be laid off according to business needs and in compliance with all State and Federal Laws.

Company paid medical insurance will continue for the remainder of the calendar month in which you are laid off. Depending upon whether your layoff constitutes a qualifying event under COBRA, you may be entitled to continuation coverage. See Section 3.14, COBRA for specific information on continuation coverage.

### 1.13 EMPLOYMENT REFERENCES

Direct all inquiries regarding a current or former employee's employment and requests for references to the HR Manager.

### 1.14 BREAK TIME FOR NURSING MOTHERS

The Company will provide a nursing mother a reasonable break time for the employee to express breast milk for her nursing child for one year after the child's birth each time the employee has need to express the milk. The amount of break time for the nursing mother to express milk is as frequently as needed since the frequency of breaks needed to express milk as well as the duration of each break will likely vary.

A private, temporary space, other than a bathroom, that is functional for expressing breast milk will be made available when needed by the nursing mother to express milk. The space will be shielded from view and free from intrusion from coworkers and the public.

An employee will not receive compensation for "reasonable breaks" during "work time" to express milk for a nursing child. In addition, the employee must be completely relieved from duty or else the time must be compensated as work time.

The FLSA does not preempt Hawaii State laws that seek to provide greater protections to employees than Section 4207 of the Patient Protection and Affordable Care Act.

Any employee who elects to use a regularly scheduled paid break to express milk at any time will be compensated the same way that other employees are compensated for paid break times.

One year after the child's birth, nursing mother who chooses to utilize their meal and break periods to express milk may do so without interference or discrimination, as required by state law.

### 1.15 BACKGROUND CHECKS

An employee may be subject to background checks including, but not limited to criminal and sex offender searches by The Company as requested by a Federal Contractor for security clearance to access a military worksite.

The Company hires a third party to conduct background checks or to obtain reports from outside agencies, therefore, such reports are subject to the federal **Fair Credit Reporting Act (FCRA)**, Title VII, the ADA, and federal and state privacy laws.

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## 2. COMPENSATION

### 2.1 POLICY ON PAY

It is our policy to pay employees based upon rewarding them for the work they perform and motivating them toward continued high accomplishments. Rates of pay are determined according to the level of skill, responsibility, education, and experience required in your specific job.

### 2.2 PERFORMANCE APPRAISAL

Your job performance may be subject to review by management at **any time prior to** the end of your introductory period, with additional periodic performance appraisals conducted **thereafter** as deemed necessary by the Company. When you receive a performance appraisal, you should take the opportunity to discuss your performance with your supervisor. If asked, you should sign the performance appraisal document to show it was reviewed with you and submit your own comments on the appraisal. Pay reviews may not necessarily be conducted at the same time as performance appraisals.

### 2.3 PAY DAY

Employees are paid bi-weekly via electronic fund transfer or by check. Regular paydays are every other Friday, except when these days fall on a holiday, then checks will be issued on the last workday preceding the regular pay date.

### 2.4 TIMEKEEPING

Weekly time sheets are the basis for recording time expenditures. Accurately recording time worked on a time sheet **or BillQuick** is the responsibility of every employee because our clients may be billed based on this information. Time worked is time actually spent on the job performing assigned duties. **(See Appendix A for Online Time Entry Procedures).**

Non-exempt employees who record time worked on a time card should punch in and out using the time clock when they **1)** begin and end their work shift, **2) take a lunch break,** and **3)** depart from work for personal **or other non-work-related** reasons.

Hand written submissions on the time card need to be verified and initialed by the supervisor on that date. Altering, falsifying, tampering with time records, or recording time on another employee's time card may result in disciplinary action, up to and including termination of employment.

#### 2.4.1 Time Sheet Submittal

Time sheets are to be submitted each Monday morning to Accounting. Time sheets may include the following attachments:

- Daily Field Reports

- Sample Casting Report
- Copy of Pick-up Slip

When employees submit timesheets after the payroll-processing deadline, all regular hours will be compensated based on the best estimate for the workweek but not to exceed 40 hours. All extra and/or overtime hours will be compensated when timesheets are submitted.

When an employee anticipates being away from the office on the day for submitting time sheets, he or she should submit a completed time sheet to **Accounting** on the last day of the week before leaving. When leaving on vacation or a business trip, a time sheet covering the anticipated absence must be submitted on the evening of departure. Any adjustments caused by changes in plans must be reported to Accounting **as soon as possible**.

### 2.5 OVERTIME

Time and one-half rate is paid to non-exempt employees for actual HOURS WORKED over 40 hours in a standard work week. Overtime must be authorized by the appropriate supervisor. **Working overtime without first securing adequate supervisory authority may subject you to disciplinary action, up to and including termination.** When a holiday occurs in a work week, you will receive time and one-half pay only when you have actually worked over 40 hours during that work week.

Company holidays, **paid time off and unpaid time off will not be considered hours worked for purposes of calculating overtime.** See Section 1.3.3, Exempt or Non-Exempt Status.

Exempt salaried employees are exempt from the overtime provisions of state and federal wage and hour laws. However **exempt** salaried engineers/geologists may be compensated at *straight time* after 40 hours per week on billable jobs when authorized by the appropriate supervisor. See Section 1.3.3, Exempt or Non-Exempt Status.

### 2.6 TRAVEL TIME

The following provisions apply to all employees:

- **Commute time:** In the ordinary situation where you commute to and from work, you are not entitled to additional compensation for such travel time. If you are required to report to a meeting place to pick up materials, equipment, or other employees, or to receive instructions before traveling to work, your compensable time starts from the meeting place.
- **Travel during the workday:** Time spent by you in traveling after your work day has commenced is counted as hours worked. For example, if you are required to travel from one job site to another during the day or report to a meeting place to receive instructions or pick up assignments or equipment or other employees, and then travel to the place of work, you will be compensated for this time. Travel time from your



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home to a work site at the beginning of the day or from a work site to your home at the end of the day is not compensable.

- **Assignments in other cities:** If you are assigned to report to work in another city or island for the day, you will be compensated for the time spent from when you arrive at the airport until the time you return to the airport. Time spent driving to or from the airport is not deemed compensable.
- **Overnight travel:** Time spent traveling is compensable to a maximum of 8 hours **if that travel time cuts across your normally scheduled work day, whether that travel occurs on a regularly scheduled working day or on a non-working day when you would normally not be scheduled to work.** Time spent in travel **outside your normally scheduled working hours** is **only** compensable **if** you perform productive work during that time. **Thus,** if you are away from your home on overnight travel, you will **only** be compensated **for time worked and travel completed** during your normally scheduled work hours unless you are **actively performing** work **other than traveling** outside of those **normally scheduled workday** hours. Time spent eating meals and sleeping is not compensable. Travel pay is not compensable during stopovers resulting from the employee's voluntary act or disregard of Company instructions, or during deviations made for the employee's personal convenience.

### 2.7 DEDUCTIONS

The Company will make only those deductions from your compensation that are required by federal or state statute, by court process, for your portion of the health insurance premium, or authorized in writing by you as provided by law.

When you receive your paycheck, review the figures carefully to be certain that there are no errors in the deductions or payment. If you find an error, report it directly to the CFO.

The Company intends to pay its exempt employees on a salary basis and will not make deductions from your salary that is prohibited under the Fair Labor Standards Act. Exempt employees who have questions or concerns about deductions from your salary may report them freely to the CFO and without concern for retaliation or discrimination.

### 2.8 USE OF PERSONAL VEHICLE

The Company will reimburse you the standard deductible mileage rate that is set up annually by the Internal Revenue Service. Employees should record the mileage on **the expense** sheet by work order number, with the word "MILEAGE." See *Section 6.9, Personal Vehicle*.

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### 3. EMPLOYEE BENEFITS

In this section of the handbook, the Company identifies benefits available to eligible employees.

The applicable plan fiduciary or the Company has discretionary authority to determine eligibility for any benefit and to interpret the applicable provision, participation may be subject to eligibility and vesting rules under the plan, and the Company retains the right to amend or terminate any plan at any time.

#### 3.1 BENEFITS DISCLAIMER

PURSUANT TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, THE COMPANY RESERVES THE RIGHT, TO THE MAXIMUM EXTENT PERMITTED BY LAW, TO AMEND OR TERMINATE ANY OF THESE BENEFIT PLANS, IN WHOLE OR IN PART, OR TO ESTABLISH OTHER PLANS IN ANY WAY WHICH SEEMS ADVISABLE TO THE BOARD OF DIRECTORS IN THE BOARD'S DISCRETION. THE COMPANY ALSO RESERVES THE RIGHT TO INCREASE, REDUCE, OR ELIMINATE THE AMOUNT AND APPLICATION OF THE COMPANY'S CONTRIBUTIONS TO ANY EMPLOYEE BENEFIT PLAN. FURTHERMORE, THE COMPANY RESERVES THE RIGHT TO INTERPRET ITS EMPLOYEE BENEFIT PLANS IN THE EVENT OF ANY DISPUTE AND ITS INTERPRETATION SHALL BE FINAL AND BINDING ON ALL PARTIES.

#### 3.2 TIME SCHEDULE OF BENEFIT ELIGIBILITY

You may be eligible to receive the following benefits according to the following time schedule:

Upon Hire	After Four Consecutive Weeks of 20 or More hours of Work Per Week
<ul style="list-style-type: none"><li>▪ Paid Time Off</li><li>▪ Unemployment Insurance</li><li>▪ Workers' Compensation</li><li>▪ Temporary Disability Insurance</li><li>▪ Unpaid Leave of Absence as Mandated by Statute</li></ul>	<ul style="list-style-type: none"><li>▪ Medical, Drug and Vision Insurance</li><li>▪ Dental Insurance</li></ul>
180 Days After Full-Time Employment	After One Full Year of Continuous Active Employment
<ul style="list-style-type: none"><li>▪ Group Life Insurance</li></ul>	<ul style="list-style-type: none"><li>▪ Employee Stock Ownership Plan known as ESOP (must meet 1000 hours worked eligibility)</li><li>▪ 401(K) Profit Sharing Plan (must meet 1000 hours worked eligibility)</li><li>▪ Family and Medical Leave (must have worked at least 1250 hours in the 12 months prior to the leave and be located within 75 miles of at least 49 other employees).</li></ul>
After Six Full Months of Full-Time Continuous Active Employment	
<ul style="list-style-type: none"><li>▪ Leave for Victims of Domestic or Sexual Violence</li></ul>	

To determine your eligibility for any of these benefits, please contact the HR Manager or CFO. Some benefit programs require contributions from the employee, and some are fully paid by the Company.

### **3.3 PAID TIME OFF (PTO)**

Geolabs, Inc. converted to a Paid Time Off (PTO) Plan effective January 2019 (pay period beginning on December 24, 2018). The PTO Plan combines vacation and sick leave into a pool of paid leave hours that a full-time employee will accrue at varying rates, based on his/her years of continuous service. PTO may be used for vacation, sick leave, and/or personal paid time off.

#### **3.3.1 Who Is Eligible for the PTO Plan**

- You are eligible to participate in the PTO Plan if you are classified as a full-time, part-time, or temporary employee in exempt or non-exempt status.
- If you are classified as an independent contractor or other individual who is not an employee for payroll purposes and you are later characterized by the Internal Revenue Service, another government agency, or a court as an “employee,” any such recharacterization will take effect for eligibility purposes on the actual date of such change in characterization without regard to any retroactive recharacterization.

#### **3.3.2 When PTO Plan Participation Begins**

- A new employee eligible for PTO, will begin accruing PTO as of his/her date of hire.

#### **3.3.3 Prior Service**

A former employee returning to the Company within 5 years of separation will have their service duration included in the years of service calculation used to determine the rate at which their PTO will accrue. The total years of service calculation will add the time from the first hire date until the initial termination date to the time span from the rehire date until the present. All service, excluding any part-time service, will count toward your continuous service. *See Section 1.5 Rehire.*

#### **3.3.4 How PTO Works**

- PTO hours are available to use as they are accrued throughout the year.
- As long as PTO-related absences do not interfere with the efficient operation of the business, PTO may be scheduled at any time during the calendar year by mutual agreement between you and your supervisor.
- Your recently accrued PTO hours will be added to your accrual balance after each pay period.

## EMPLOYEE BENEFITS

- If your status changes (you move to or from a full-time 40-hour work week), your PTO accrual rate will be adjusted based on your change of status.
- When a full-time employee reaches a specific anniversary during a calendar year, your PTO accrual rate will change to the higher accrual rate accordingly at the start of the next full pay period following the date of your anniversary.
- All leave is tracked in hours on a calendar year basis. PTO taken, and PTO balances are recorded and reported in two decimal places (to the nearest hundredth).
- An exempt salaried employee who is absent part of a work day must charge the absence to accrued PTO to complete their 40-hour work week.
- All PTO must be scheduled in accordance with the PTO request procedures in Section 3.3.8. Part-time employees may only utilize PTO for regularly scheduled days and shifts.

### 3.3.5 Accrual Rates

FULL TIME EMPLOYEES			PART-TIME AND TEMPORARY EMPLOYEES
Years of Service	PTO Days Accrued Per Year	PTO <i>Hours</i> Accrued Each Full Pay Period Worked	PTO <i>Hours</i> Accrued Each Hour Worked
2 years or less	14 days	4.31	0.05
More than 2 years	15 days	4.62	0.05
More than 4 years	16 days	4.92	0.05
More than 6 years	17 days	5.23	0.05
More than 8 years	18 days	5.54	0.05
More than 10 years	20 days	6.15	0.05
More than 12 years	22 days	6.77	0.05
More than 15 years	24 days	7.38	0.05
More than 18 years	26 days	8.00	0.05
More than 20 years	28 days	8.62	0.05
PTO will accrue at the next higher rate when employee reaches the anniversary date, per the rate for the years of service in above table			

### 3.3.6 Carry Over

Carry over of up to 25 days (200 unused PTO hours) is allowed at the end of each calendar year. Unused PTO hours more than 200 hours will be paid off at the end of each year at the current rate in effect at the time of pay-off.

**3.3.7 If You Are On Leave**

- While you are on paid leave from the Company, you will continue to accrue PTO. This means you will accrue PTO hours during leaves such as PTO, bereavement leave or jury duty.
- Before taking any unpaid leave, you must first exhaust all accrued PTO balances, unless applicable leave laws allow you to reserve accrued PTO balances. You will not earn PTO for any period in which you are on an approved unpaid leave. (e.g., Temporary Disability Insurance, Worker's Compensation, Family Medical Leave, extended medical leave, Leave Without Pay, etc., unless you are utilizing PTO during such leaves to change them either partially or totally from unpaid to paid leave).
- If the employee qualifies for the temporary disability or worker's compensation claim as defined under Federal or State Regulations, he/she can utilize their accrued PTO for compensation during the waiting period required by law and/or the insurance carrier.
- For periods of absence compensable under either Temporary Disability or Workers' Compensation Insurance, the employee may be compensated the difference between the benefit paid by the insurance company and the employee's regular base pay by using their available accrued PTO. This is the one exception where PTO may be used in increments less than 2 hours if needed to "gross up" the employee to a full day's pay.
- An employee who takes an unscheduled leave and reports it as PTO must submit a note (such as a doctor's note) to their supervisor upon return to work, if absent from work for three or more consecutive days.

**3.3.8 PTO Requests**

- Employees will email a meeting invitation in Outlook calendar covering the period of their leave to their immediate supervisor. See Appendix B for instruction.
- Drilling Department employees will submit a PTO Request form to their immediate supervisor. The immediate supervisor will post approved requests to the Outlook Out of Office calendar.
- Employees may submit a request for PTO as far in advance as possible but no later than seven calendar days prior to the start of the requested leave where the need for leave is foreseeable, and in other cases as soon as is practical. Employees must ensure that they have enough accrued PTO available to cover the dates requested. Negative PTO balances are only allowed with prior approval from management.

**3.3.9 Notification for Unplanned PTO**

- An employee that reports an unplanned absence as PTO must email a meeting invitation in Outlook calendar to their immediate supervisor no later than 15 minutes after the beginning of their normal starting time as notification, they are unable to report for work. See Appendix B for instructions.
- Field Engineers and Technicians will also call their supervisor to arrange for back-up, if they are unable to report for work because of an illness. If their supervisor or Project Engineer is unavailable, Field Engineers and Technicians should notify their back-ups to ensure there is no lapse in service to clients.
- Drilling Department employees must call their supervisor no later than 15 minutes after the beginning of their normal shift. If the supervisor is unavailable, the employee should notify the HR Manager. If neither is available, leave a message for your supervisor.

**3.3.10 Terminal Vacation PTO Credits**

- An employee whose employment is terminated for any reason prior to the completion of their first year of service will **forfeit** any **unused PTO** benefits.
- Upon termination, if you have a negative accrued balance, it will be deducted from your final paycheck. An employee who voluntarily terminates employment at any time following the first full year with the Company **may qualify to** receive pay for all unused **PTO** provided he or she **is an employee in good standing**, furnishes the Company with two weeks' advance notice, **timely returns all Company property in good and workable condition, and owes no monies or obligations to the Company**. Any available **PTO** credits will be paid out in the employee's last paycheck. See *Section 1.11.1 Separation of Employment; Termination*.

**3.4 HOLIDAYS**

The Company normally observes paid holidays sanctioned by the General Contractors Association of Hawaii. We recognize the following as paid holidays for full time employees:

New Year's Day	Independence Day
Martin Luther King Jr. Day	Labor Day
Presidents' Day	Veterans Day
Memorial Day	Thanksgiving Day
King Kamehameha Day	Christmas Day

The Company generally substitutes Veterans Day as a workday in lieu of a day off on the Friday after Thanksgiving, subject to the workload and clients' schedules. Employees wishing to take Veterans Day off (as **PTO** or in lieu of the day after Thanksgiving or as unpaid leave) must submit a request by the first Monday of November.

You will receive holiday pay if the holiday occurs during a paid PTO leave day and the leave will not be charged against your accrued PTO.

For full-time non-exempt employees, work performed on all holidays designated above shall be paid for the holiday and all hours worked. Holiday pay received for time not worked shall not be considered when computing overtime pay.

Part-time, and temporary employees are not eligible to receive holiday pay, if they work on the holiday; in such instances, they will be paid their straight time wage plus any overtime pay, if applicable.

### 3.5 BEREAVEMENT LEAVE

Up to three working days of leave with pay is authorized for full-time employees for absences due to the death of an immediate family member, which is defined as an employee's spouse, parents (and spouse's parents), domestic partner, siblings, children, grandparents, and grandchildren. The Company reserves the right to require the submission of appropriate verifying documentation.

### 3.6 SUPPLEMENTAL PAID LEAVE

A full-time employee in good standing who has exhausted his/her accrued PTO while on TDI and/or FMLA due to the employee's serious health condition may be entitled to additional paid leave. This leave is calculated based on the continuous years of service. Management may grant use of this leave at its sole discretion, and the decision will be based upon the circumstances of each case, including employee performance, medical necessity, Company performance, anticipated business circumstances, and client service needs. A request for this leave must be submitted to the HR Manager.

PAID LEAVE DAYS PER YEAR OF CONTINUOUS SERVICE	5 days per year = 1 week
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Note: An employee can utilize the maximum paid leave only once. E.g. Employee works 17 years is entitled to 17 (years) x 5 (days/year) = 17 weeks of supplemental paid leave. Employee uses the entire 17 weeks of paid leave and returns to work. Say the same employee has another serious health issue 5 years later and requests supplemental paid leave again. Said employee who has now worked 22 years is entitled to 22 (years) x 5 days/year) = 22 weeks – 17 weeks (previously taken) = 5 weeks, which is the difference between the first and second leave request.

Employees may have the right to pay for continuation of medical, dental, drug and/or vision coverage if they would otherwise lose such coverage during the period of leave beyond TDI and FMLA. Please see the HR Manager for specific information concerning COBRA continuation coverage. See Section 3.14, COBRA.

The Company's supplemental paid leave option is neither an accrual nor an entitlement. The Company reserves the right to deny use of supplemental paid leave for any legitimate business reason or to terminate the supplemental paid leave option all together.

### **3.7 LEAVE WITHOUT PAY**

For all leaves requested that are not otherwise covered or protected by a Company leave accrual policy, a state or federal leave or disability law, a personal unpaid leave of absence of not more than one month in duration without pay may be available for compelling, urgent or unusual circumstances. You must state a reason for your leave, its beginning and ending date, and your date of return to work. Your supervisor will make the decision whether or not to approve the requested leave of absence.

Employees will be required to use all **PTO** before taking such leave without pay.

Employees may have the right to pay for continuation of medical dental, drug and/or vision coverage if they would otherwise lose such coverage during the period of leave without pay. Please see the HR Manager for specific information concerning COBRA continuation coverage. *See Section 3.14, COBRA.*

You must notify your supervisor of your scheduled return-to-work date at least one week before that date. If you do not return to work on the agreed date, you **may** be considered to have voluntarily terminated your employment with the Company.

### **3.8 FAMILY AND MEDICAL LEAVE**

Family and Medical Leave Act (FMLA) entitles eligible employees to take unpaid, job-protected leave for specified family and medical reasons with continuation of group health insurance coverage under the same terms and conditions as if the employee had not taken leave.

This policy provides employees with a general description of their FMLA rights. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

#### **3.8.1 General Provisions**

The Company will grant up to 12 weeks (or up to 26 weeks of military caregiver leave to care for a covered servicemember or eligible veteran with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leaves, depending on the circumstances of the leave.

#### **3.8.2 Eligibility**

To be eligible to take family or medical leave, the employee must meet **all** the following conditions:



- The employee must have worked for the Company for **at least** 12 months or 52 weeks. The 12 months or 52 weeks need not have been consecutive. Separate periods of employment will be counted, provided that the break in service does not exceed seven years. Separate periods of employment will be counted if the break in service exceeds seven years due to National Guard or reserve military service obligations or when there is a written agreement, stating the employer's intention to rehire the employee after the service break. For eligibility purposes, an employee will be considered to have been employed for an entire week even if the employee was on the payroll for only part of a week or if the employee is on leave during the week.
- The employee must have worked at least 1,250 hours during the 12-month period immediately before the date when the leave begins. The principles established under the Fair Labor Standards Act (FLSA) determine the number of hours worked by an employee. The FLSA does not include time spent on paid or unpaid leave as hours worked. Only actual hours worked are counted in determining the 1,250 hours eligibility test for an employee under FMLA.
- The employee must work in a worksite where 50 or more employees are employed by the Company within 75 miles of that office or worksite. The distance is calculated by using available transportation by the most direct route.

### **3.8.3 Type of Leave Covered**

To qualify as FMLA leave, the employee must be taking leave for one of the reasons listed below:

- a. The birth of a child and in order to care for that child.
- b. The placement of a child for adoption or foster care and to care for the newly placed child.
- c. To care for a spouse, child or parent with a serious health condition (described below).
- d. The serious health condition (described below) of the employee.

An employee may take leave because of a serious health condition that makes the employee unable to perform the functions of the employee's position.

A serious health condition is defined as a condition that requires inpatient care at a hospital, hospice or residential medical care facility, including any period of incapacity or any subsequent treatment in connection with such inpatient care or a condition that requires continuing care by a licensed health care provider.

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health

condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about this FMLA policy or coverage under the Company's **PTO plan** should consult with the HR Manager.

If an employee takes **PTO** for a condition that progresses into a serious health condition and the employee requests unpaid leave, the Company may designate all or some portion of related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

- e. **Qualifying exigency leave:** An eligible employee is entitled to take up to 12 weeks of FMLA leave in a 12-month period because of any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is on covered active duty (or has been notified of an impending call to active duty) in the Armed Forces.

"Covered active duty" for members of a regular component of the Armed Forces means duty during deployment of the member with the Armed Forces to a foreign country. "Covered active duty" for members of the reserve components of the Armed Forces (members of the U.S. National Guard and Reserves) means duty during deployment of the member with the Armed Forces to a foreign country under a call or order to active duty in a contingency operation as defined in section 101(a)(13)(B) of title 10, United States Code.

The qualifying exigency must be one of the following: 1) short-notice deployment, 2) military events and activities, 3) child care and school activities, 4) financial and legal arrangements, 5) counseling, 6) rest and recuperation, 7) post-deployment activities and 8) additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

The leave may commence as soon as the individual receives the call-up notice. (Son or daughter for this type of FMLA leave is defined the same as for child for other types of FMLA leave except that the person does not have to be a minor.) This type of leave would be counted toward the employee's 12-week maximum of FMLA leave in a 12-month period.

- f. **Military caregiver leave:** Entitles an eligible employee who is the spouse, son, daughter, parent, or next of kin of a "covered servicemember" to take up to 26 workweeks of FMLA leave in a single 12-month period to care for a "covered servicemember" with a "serious injury or illness" or to a veteran "who is undergoing medical treatment, recuperation, or therapy for a serious

injury or illness” if the veteran was a member of the Armed Forces “at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.”

A “serious injury or illness” for a current member of the Armed Forces include not only a serious injury or illness that was incurred by the member in line of duty on active duty but also a serious injury or illness that “existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces” that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating.

For a veteran, a serious injury or illness is defined as “a qualifying injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.”

#### **3.8.4 Amount of Leave**

An eligible employee can take up to 12 weeks for the FMLA circumstances (a) through (e) above under this policy in a 12-month period **calculated as a calendar year (January to December)**. Each time an employee takes leave, the Company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA circumstance (f) above (military caregiver leave) during a single **fixed** 12-month period. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

If a husband and wife both work for the Company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the husband and wife may only take a combined total of 12 weeks of leave. If a husband and wife both work for the Company and each wishes to take leave to care for a covered injured or ill service member, the husband and wife may only take a combined total of 26 weeks of leave.

#### **3.8.5 Employee Status and Benefits During Leave**

If the employee chooses not to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the Company will require the

employee to reimburse the Company the amount it paid for the employee's health insurance premium during all unpaid portions of the leave.

While an employee is on leave, the Company will continue to pay its share of the premium for group health insurance coverage provided to the employee and any dependents, or the applicable COBRA premiums for up to six months of a qualifying leave at the Company's discretion. Thereafter, the employee has the right to pay for continuation of medical dental, drug and/or vision coverage if you would otherwise lose such coverage. Please see the HR Manager for specific information concerning COBRA continuation coverage.

### **3.8.6 Employee Status After Leave**

An employee who takes leave under this policy may be asked to provide a fitness for duty (FFD) clearance from the health care provider. This requirement will be included in the employer's response to the FMLA request. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one which is virtually identical in terms of pay, benefits and working conditions. The Company may choose to exempt certain key employees from this requirement and not return them to the same or similar position.

### **3.8.7 Use of Paid and Unpaid Leave**

An employee who is taking FMLA leave because of the employee's own serious health condition **or that of a family member, the employee** must use all **accrued PTO** during their FMLA leave, **before using unpaid FMLA leave**. **PTO** will run concurrently with FMLA.

Disability leave for the birth of the child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA. For example, if an employee takes six weeks of pregnancy disability leave, the six weeks will be designated as FMLA leave and counted toward the employee's 12-week entitlement. The employee may then be required to substitute accrued (or earned) paid leave as appropriate before being eligible for unpaid leave for what remains of the 12-week entitlement. An employee who is taking leave for the adoption or foster care of a child must use all paid **PTO during their FMLA** leave before using unpaid FMLA leave.

An employee who is using military FMLA leave for a qualifying exigency must use all **accrued PTO during their FMLA leave, before using** unpaid FMLA leave. **The same applies to** military caregiver leaves.

### **3.8.8 Intermittent Leave or a Reduced Work Schedule**

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under

certain circumstances, may use the leave to reduce the workweek or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 workweeks (or 26 workweeks to care for an injured or ill service member over a 12-month period).

The Company may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule. When leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth, or placement for adoption or foster care the Company requests that the employee make every reasonable effort to schedule leave(s) when there will be the least amount of disruption to the Company and its clients' needs. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the Company before taking intermittent leave or working a reduced hour schedule.

### **3.8.9 Certification for the Employee's Serious Health Condition**

The Company will require certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Employee's Serious Health Condition (<http://www.dol.gov/whd/forms/WH-380-E.pdf>).

The Company may directly contact the employee's health care provider for verification or clarification purposes using a health care professional, the HR Manager or management official. The Company will not use the employee's direct supervisor for this contact. Before the Company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the Company will obtain the employee's permission for clarification of individually identifiable health information.

The Company has the right to ask for a second opinion if it has reason to doubt the certification. The Company will pay for the employee to get a certification from a second doctor, which the Company will select. The Company may deny FMLA leave to an employee who refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary, to resolve a conflict between the original certification and the second opinion, the Company will require the opinion of a third doctor. The Company and the

employee will mutually select the third doctor, and the Company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

#### **3.8.10 Certification for the Family Member's Serious Health Condition**

The Company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition (<http://www.dol.gov/whd/forms/WH-380-F.pdf>).

The Company may directly contact the employee's family member's health care provider for verification or clarification purposes using a health care professional, HR Manager or management official. The Company will not use the employee's direct supervisor for this contact. Before the Company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. In compliance with HIPAA Medical Privacy Rules, the Company will obtain the employee's family member's permission for clarification of individually identifiable health information.

The Company has the right to ask for a second opinion if it has reason to doubt the certification. The Company will pay for the employee's family member to get a certification from a second doctor, which the Company will select. The Company may deny FMLA leave to an employee whose family member refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary to resolve a conflict between the original certification and the second opinion, the Company will require the opinion of a third doctor. The Company and the employee will mutually select the third doctor, and the Company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally entitled to leave and benefits under the FMLA pending the second and/or third opinion.

#### **3.8.11 Certification of Leave for a Qualifying Exigency**

The first time an employee requests leave because of a qualifying exigency; the Company may require that the employee provide a copy of the active-duty orders or other documentation issued by the military. This information need be provided to the Company only once.

The Company may require that leave for any qualifying exigency be supported by a certification from the employee that sets forth an extensive list of information relating to the qualifying exigency. Certifications could include documents such as meeting announcements for informational briefings, a document confirming a

meeting with a counselor or school official, or a bill of service for legal or financial affairs. DOL's *Certification of Qualifying Exigency for Family Military Leave* (<http://www.dol.gov/whd/forms/WH-384.pdf>).

#### **3.8.12 Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave**

The Company may request that the covered service member's healthcare provider furnish an extensive list of information that is contained in DOL's *Certification for Serious Injury or Illness of Covered Service Member for Military Family Leave* (<http://www.dol.gov/whd/forms/WH-385.pdf>). No information may be required beyond that specified by the regulations (and contained in the WH-385).

Second and third opinions and recertifications are expressly prohibited for leave to care for a covered service member.

The Company requiring an employee to submit a certification for leave to care for a covered service member must accept invitational travel orders (ITOs) or invitational travel authorizations (ITAs) issued to any family member to join an injured or ill service member at his or her bedside as sufficient certification, in lieu of the WH-385

#### **3.8.13 Certification for Serious Injury or Illness of a Veteran for Military Caregiver Leave**

The Company may require an employee seeking military caregiver leave under the FMLA leave due to a serious injury or illness of a covered veteran to submit a certification providing sufficient facts to support the request for leave *for Serious Injury or Illness of a Veteran for Military Caregiver Leave* (<http://www.dol.gov/whd/forms/wh385V.pdf>).

The Company may require an employee to submit a timely, complete, and sufficient certification to support a request for military caregiver leave under the FMLA leave due to a serious injury or illness of a covered veteran.

#### **3.8.14 Recertification**

The Company may request recertification for the serious health condition of the employee or the employee's family member no more frequently than every 30 days and only when circumstances have changed significantly, or if the employee receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the Company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The Company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.



### **3.8.15 Procedure for Requesting FMLA Leave**

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the HR Manager. Within five business days after the employee has provided this notice, the HR Manager will complete and provide the employee with the DOL Notice of Eligibility and Rights (<http://www.dol.gov/whd/forms/WH-381.pdf>).

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must notify the Company as soon as employee is able or have a family member inform the Company to request leave, absent unusual circumstances.

### **3.8.16 Designation of FMLA Leave**

Within five business days after the employee has submitted the appropriate certification form, the HR Manager will complete and provide the employee with a written response to the employee's request for FMLA leave using the DOL Designation Notice (<http://www.dol.gov/whd/forms/WH-382.pdf>).

### **3.8.17 Intent to Return to Work from FMLA Leave**

On a basis that does not discriminate against employees on FMLA leave; the Company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

## **3.9 MILITARY LEAVE AND USERRA**

An employee who is a member of or applies to be a member of a uniformed service, and performs or has an obligation to perform service in a uniformed service:

- A. Army, Navy, Marine Corps, Air Force or Coast Guard and Reserve components;
- B. Army National Guard and Air National Guard; when engaged in active duty for training, inactive duty training, or full-time National Guard duty;
- C. The military service academies (*e.g.*, "West Point");
- D. Reserve Officers Training Corps (ROTC);
- E. Public Health Service Commissioned Corps; and
- F. Any other category of persons designated by the President in time of war or emergency.
- G. Although not part of a "uniformed services," Intermittent disaster-response appointees when activated by, or in training for, the National Disaster Medical System (FEMA, Department of Homeland Security);



Will be allowed military leave and will be given PTO and other earned pay due the employee at the time of taking leave from the Company. Seniority will continue to accrue for employees on military leave.

Upon satisfactory completion of military service and timely notice of intent to return to work, an employee will be reinstated to his/her job or to a job comparable to the one s/he left, provided the employee is qualified after reasonable efforts by the Company to qualify the employee, and the Company's circumstances have not changed to the extent that it would be impossible or unreasonable to provide re-employment. Employees taking military leave are responsible for providing the Company with reasonable advance notice of military duty, unless notice cannot be provided due to military necessity, or is unreasonable or impossible under the circumstances.

Full-time employees, who are in the National Guard or Reserves and required by law to fulfill annual military duty, will be reimbursed for the difference between their military pay and regular pay for a maximum of two (2) weeks per calendar year if their military pay is less, provided they supply their supervisor with their authorized military rank, pay rate, and orders. All benefits and job status will resume as if continued if the employee reports back to work on the next regularly scheduled work period after his/her release from active duty. Part-time employees, full-time employees whose temporary duty exceeds two (2) weeks, and employees who voluntarily extend their military commitment beyond the statutory requirement will be considered on an unpaid leave of absence.

### **3.10 JURY AND WITNESS DUTY**

The Company will pay full-time employees the amount by which your regular pay exceeds the payment you receive for jury duty or duty as a summoned witness, for the period required to complete such duty. You must notify your supervisor for time off if you are summoned to appear as a witness or to jury duty.

You must obtain a statement from the clerk of the court for the period you are required in court and submit this to your supervisor promptly. If you are released from court duty on any particular day during your normal working hours, you must notify your supervisor of your availability and you may be required to report to work.

### **3.11 TIME OFF TO VOTE**

Employees are entitled up to two hours off with pay in which to vote if s/he does not have two hours before or after working hours to do so. Employees are required to obtain written approval from their supervisor when time off is required within his/her regular working hours. To qualify for paid time off, employees must submit a voter's receipt and written approval with their time sheet for the pay period following the election.

### **3.12 LEAVE FOR VICTIMS OF DOMESTIC OR SEXUAL VIOLENCE**

If you or your minor child is a victim of domestic or sexual violence, you may be eligible to take unpaid leave for a reasonable period of time, not to exceed 30 days per calendar

year if the Company employs 50 or more employees. If 49 or fewer employees are employed by the Company, five days of victims leave per calendar year is provided. An employee must have worked for the Company for at least six consecutive months to be eligible for leave under this policy. For purposes of this section, your “minor child” includes a biological, adopted, foster, or stepchild, or any legal ward of an employee under the age of majority.

### **3.12.1 Permissible Purposes for Leave**

- a. To seek medical attention for the employee or the employee’s minor child to recover from physical or psychological injury/disability caused by domestic or sexual violence;
- b. To obtain services from a victim services organization or victim advocacy organization, including (a) any nonprofit organization providing assistance to or serving as advocates of victims of domestic or sexual violence; (b) any organization operating a shelter or providing professional counseling services for victims of domestic or sexual violence; or (c) any organization providing legal assistance to victims of domestic or sexual violence;
- c. To obtain psychological or other counseling;
- d. To temporarily or permanently relocate; or
- e. To take legal action relating to or resulting from the domestic or sexual violence, or related legal action which enhances the health/safety of the employee, the employee’s minor child, or those who associate or work with the employee (e.g. to obtain restraining orders or injunctions).

An employee must exhaust any other paid or unpaid leave which is applicable and available before taking leave under this policy. For example, employees wishing to take victims leave who have available **PTO** must first use their **PTO** before taking unpaid victims leave. **Any combination of paid or unpaid leave benefits that may be applied to victims leave benefits shall not exceed the maximum number of days of leave required by Hawai‘i’s Victim’s Protections law.**

All information provided to the Company by an employee regarding a leave requested under this policy, including the fact that the employee or employee’s minor child has been a victim of domestic or sexual violence, or that the employee has requested leave due to domestic or sexual violence, shall be kept confidential by the Company.

Employees should provide reasonable advance notice to the Company of their intention to take leave, unless notice is not practicable due to imminent danger to the employee or the employee’s minor child.

### **3.12.2 Leave Certifications**

- a. **Leave Due to The Employee’s Own Physical or Psychological Injury:** If the purpose of the leave is to seek medical attention to recover from the

employee's own physical or psychological injury caused by domestic or sexual violence, the employee should, when providing notice of intention to take leave, provide a certificate from a physician estimating the number of leave days necessary and the estimated commencement and termination dates of the leave. Depending upon the circumstances, the Company may require employees returning from leave taken under this policy to submit a medical certificate from the employee's physician attesting to the employee's condition, and approving return to work.

- b. **Leave Of Less Than Five Days For Reasons Other Than The Employee's Own Medical Treatment:** When an employee returns from a leave of 5 days or less taken for reasons other than to seek medical attention for him/herself or the employee's minor child, the employee shall, within a reasonable period of time, provide a signed written statement to the Company certifying: (i) that the employee or employee's child is a victim of domestic or sexual violence, and (ii) that the leave was taken for one of the permissible reasons described.
- c. **Leave Exceeding Five Days Per Calendar Year:** After an employee has already taken five days of leave in a given calendar year because of sexual or domestic violence, an employee taking additional victims leave during that year must provide a written certification for the leave from one of the sources listed:
  - 1) An agent, employee or volunteer of a victim services organization; or
  - 2) The employee's attorney or advocate; or
  - 3) The minor child's attorney or advocate; or
  - 4) A medical or other professional from whom the employee or employee's minor child has sought assistance relating to the domestic or sexual violence; or
  - 5) A police or court record related to the domestic or sexual violence.

An employee who returns from an authorized victims leave and who have complied with certification requirements will be returned to their former position or to a position of comparable status and pay.

### **3.13 MEDICAL, DENTAL, DRUG AND VISION INSURANCE**

The Company provides all eligible full and part-time employees medical coverage that includes drug and vision riders with University Health Alliance (UHA) and dental coverage as a rider with Hawaii Dental Service (HDS). The Company may change insurers and add or reduce benefits that are in excess of legal requirements.

Employees may choose to extend medical/dental coverage for their immediate family at their own expense; the charge for additional coverage will be deducted from employee paychecks until he or she completes twelve consecutive months of full-time employment.

The Company will pay the family coverage for an employee after twelve consecutive months of full-time employment.

An employee or his/her dependents that do not apply for coverage when they first become eligible or by the first day of the month immediately after four consecutive weeks at 20 hours a week or more of employment must wait until the next open enrollment period. **Plan membership is accepted by UHA/HDS during the Company's open enrollment period, which is held once a year between May and June (for July enrollment).**

**This open** enrollment period is restricted, and the Company is not responsible for insurance coverage for an employee who fails to apply for it at the proper time. A representative of the Company **may at any time request** copies of your marriage license and your children's birth certificates (and adoption papers if applicable) and social security cards **to verify eligibility**.

Coverage is effective on the first of the following month **after enrollment is approved**. Should you decide to cancel your coverage or the coverage for any of your family members for the following month, please notify the HR Manager one-week before the last day of the month.

Premium costs may change annually because UHA/HDS adjusts **their** premiums in response to changes (usually increases) in health care costs.

Request by employees to make changes to their medical/dental insurance plan must also be made during the open enrollment period.

Details of the coverage under this medical/dental insurance plan are included in the contracts between the Company and the provider of medical insurance services. Information about the dental, drug, and vision coverage and cost for additional coverage are available from the HR Manager.

Employees, whose work hours are reduced to fewer than 20 hours a week, may have the right to pay for continuation of medical dental, drug and/or vision coverage if you would otherwise lose such coverage.

### 3.14 COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under the Company's health plan when a "qualifying event" would normally result in the loss of eligibility. Coverage may be continued for periods of up to 18 to 36 months, depending on the type of qualifying event and other circumstances. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent's loss of dependent status under the plan. If a qualifying event occurs, the employee or qualified beneficiary must notify the Company as soon as possible.

Under COBRA, the employee or beneficiary pays the full cost of coverage at the Company's group rates plus an administration fee. The Company provides each eligible employee or qualified beneficiary with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under the Company's health insurance plan. The notice contains important information about the employee's rights and obligations.

### **3.15 UNEMPLOYMENT INSURANCE**

The Company is required by the Hawaii Employment Security Law to pay taxes for each of our workers into an account from which benefits are paid out to covered employees who become involuntarily unemployed. The program pays weekly benefits, up to 26 weeks, to individuals who meet state requirements of the unemployment insurance law. Prior work history **may** determine whether and in what amount an individual will qualify for benefits. For information on Hawaii's Employment Security Law, please contact the State Unemployment Insurance Division.

### **3.16 TEMPORARY DISABILITY**

The Company pays the total premium to provide partial protection from loss of earnings if you become disabled due to a non-work-related accidental illness or injury, including pregnancy. If you are eligible, Temporary Disability Insurance ("TDI") will pay benefits at the rate of fifty-eight percent (58%) of average weekly earnings up to a maximum benefit amount set annually by the State Department of Taxation beginning with the eighth calendar day of disability. Benefits are paid for a maximum of twenty-six (26) weeks in any benefit year. **You may elect to be compensated for the difference between your insurance benefit and your regular base pay by using your available accrued PTO. See Section 3.3.7, If You Are on Leave.**

It is the employee's responsibility to apply for TDI benefits and to notify the Company of the needed time off. A disabled employee needs to file a claim with the Company within 90 days after the beginning of the period of disability.

Request the State TDI-45 Form from the HR Manager. For additional information on Hawaii Temporary Disability Insurance Law, please contact the Disability Compensation Division for TDI.

If leave qualifies under our Family and Medical Leave Policy, your approved TDI leave will be counted as Family and Medical Leave. It is your responsibility to timely complete your leave request forms to assure reinstatement and benefit continuation for the duration of such approved leave.

### **3.17 WORKERS' COMPENSATION**

The Company secures Workers' Compensation Insurance which provides benefits if you sustain a work-related injury or illness. Partial wage loss payments will commence on the fourth calendar day after disability from the injury or illness. IT IS COMPANY POLICY AND

YOUR RESPONSIBILITY TO REPORT ALL INJURIES AND ILLNESSES IMMEDIATELY TO YOUR SUPERVISOR.

Weekly income payments (wage replacement) are paid directly by the insurance carrier on the fourth day of disability at a rate representing two-thirds of the injured employee's average weekly wage but not more than the maximum weekly benefit amount annually set by the Department of Labor. The weekly compensation for either a permanent or temporary total disability is set and fixed according to the employee's wage or the maximum amount existing the year the employee was first injured. **You may elect to be compensated for the difference between your insurance benefit and your regular base pay by using your available accrued PTO. See Section 3.3.7, If You Are on Leave.**

Neither the Company nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company. *See Occupational Safety & Health Program, Section 7, WC-1 Employer's Report of Industrial Injury.*

If leave qualifies under our Family and Medical Leave Policy, your approved Workers' Compensation leave will be **designated and** counted as Family and Medical Leave. It is your responsibility to timely complete your leave request forms to assure reinstatement and benefit continuation for the duration of such approved leave.

A doctor's note must be submitted to HR Manager notifying the Company how long the employee will be incapacitated, whether s/he has restrictions and when the employee will be returning to work. If any of the conditions change the employee must submit a current note from the doctor.

### **3.18 GROUP TERM LIFE INSURANCE**

All full-time employees are eligible for a Company-paid Group Term Life Insurance policy **the day following 180-days of employment**. The amount of the benefit is at the discretion of management and the Company pays the monthly premium. The HR Manager will provide you with full details upon request.

### **3.19 EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)**

The Company's Profit Sharing Plan was amended into the Employee Stock Ownership Plan (ESOP) effective as of January 1, 1991. The ESOP provides retirement benefits to employees based on ownership interests in the Company. The plan has been adopted in the hope that its benefits, together with those of social security and your own personal savings, will enable you to look forward to your retirement years with confidence.

To become eligible an employee of the Company must be 21 years of age or older, have worked at least 1,000 hours for the Company during a 12-consecutive-month period beginning initially with your first hour of work, and not be included in a collective bargaining unit for which retirement benefits have been bargained for in good faith.

You become a participant of this plan on the **first day of the next calendar month** coinciding with or following the date on which you satisfy the above-described requirements.

You receive credit for a year of service if you worked at least 1,000 hours of service with the Company during an initial period measured from your first hour of employment with the Company for a continuous twelve (12) months and, thereafter, from the first day of a Plan Year for such Plan Year.

The Company may contribute a discretionary amount to the ESOP determined for each plan year. Company contributions will be made in shares of Company stock or in cash.

Your actual retirement benefit under this plan is your account balance at the time of your retirement. The balance of your accounts will be adjusted annually for earnings, gains, and losses of the trust fund attributable to investment of the account balances. Such earnings, gains, and losses will be allocated to the accounts of all participants on a pro-rata basis based on their account balances.

The value of Company stock held by the ESOP reflects the earnings, assets, and growth of the Company. The value of the Company stock may go up or down each year because the value of each share of Company stock depends, in part, on the Company's earnings and on what potential investors think of its prospects. The balance of your accounts will reflect the changing value of Company stock held in the accounts.

The Plan Year is the Company's fiscal year, which is the calendar year.

For more detailed information concerning this Plan, employees may request a copy of the Plan Summary. Provisions can only be determined accurately by consulting the Plan itself. A copy of the Plan is on file at the Company office and may be read by any employee at any reasonable time. In the event of any discrepancy between the Plan Summary and the actual provisions of the Plan, the Plan shall govern.

### **3.20 401(k) PROFIT SHARING PLAN**

The Company values the loyalty and efficiency of its employees and has adopted this plan effective January 01, 2001. It is designed to help provide employees the potential for future financial security for retirement.

Employees of the Company may join the Plan if they have attained age 21 and have worked at least 1,000 hours for the Company during a 12 consecutive-month period beginning with the date of hire or the first day of any plan year beginning after the hire date.

Eligible employees will become a participant in the Plan as of the effective date of the Plan or on the **first day of the next calendar month** that coincides with or follows the date on which they satisfy the aforementioned eligibility requirements.

Employees that are not eligible to participate in the Plan are (1) employees whose employment is governed by a collective bargaining unit for which retirement benefits have been bargained for in good faith, (2) employees who are nonresident aliens and who receive no earned income from the employer which constitutes income from sources within the United States, (3) leased employees, and/or (4) independent contractors or other individuals who are recharacterized as employees by the Internal Revenue Service.

The Plan Year is the 12-month period ending December 31<sup>st</sup>.

**A. Elective Employee Contribution:** As a participant in the Plan, employees will have an opportunity to contribute a **percentage-limited** portion of their salary, or discretionary bonus, if any, to the Plan, without being currently taxed on the salary or bonus contributed.

**B. Matching Employer Contribution:** For each Plan Year, the employer may contribute to the Plan an amount equal to a percentage of the employees' elective contribution for the Plan Year.

If you are an eligible participant making 401(k) deferrals, the Company will make a safe harbor matching contribution to your Plan account equal to (i) 100% of the first 3% of compensation you defer to the Plan, plus (ii) 50% of the next 2% of compensation you defer to the Plan.

**C. Discretionary Employer Contributions:** The employer may also contribute a discretionary amount to the Plan determined for each Plan year.

For more detailed information concerning this Plan, **including contribution limits**, employees may request a copy of the Plan Summary. Provisions can only be determined accurately by consulting the Plan itself. A copy of the Plan is on file at the Company office and may be read by any employee at any reasonable time. In the event of any discrepancy between the Plan Summary and the actual provisions of the Plan, the Plan shall govern.

### 3.21 FLEXIBLE SPENDING PLAN

The Company offers flexible spending or reimbursement accounts that allow you to save tax dollars on money you spend for **eligible, non-reimbursed** health care expenses, insurance premiums **and/or dependent care out-of-pocket expenses during the plan year**.

Employees are eligible to participate in the Insurance Premiums Account and the Medical Expense and Dependent Care Expense Accounts **at the next open enrollment after 6 months of hire**.

This plan is optional and voluntary if you elect any of the accounts. If you elect a reimbursement account, you direct your employer to set aside from your paycheck a certain amount of money for the year to be credited to the account. The amount is divided into 26 equal deductions from your paycheck. As you incur unreimbursed medical expenses, such as co-pays, the account pays you back, up to the total amount set aside. For more information, see the HR Manager.



### 3.22 LEAVE RESULTING FROM MAJOR OCCURRENCES

Employees may elect to use their accrued PTO to secure paid leave for time away from work to care for their loved ones or property, or if the Company suspends operations due to major occurrences or extreme weather conditions such as unusually heavy rainstorms, floods, hurricanes, tsunamis, or other disasters.

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## 4. PROFESSIONAL DEVELOPMENT

The Company encourages employees to participate in professional seminars and programs in continuing education. The individual and the Company both benefit from the knowledge acquired.

### 4.1 EXAMINATIONS FOR REGISTERED PROFESSIONALS

Registration is a requirement for the practice of Professional Engineering under the laws of all states and of many countries. It is therefore the policy of the Company that engineers in responsible positions be registered. Under special circumstances, the Office of the President may waive this requirement. We believe that registration is valuable to the Company, the profession, the individual, and the community.

The Company will assist individuals to become registered by the following:

- Giving time off at full pay to take the necessary examination,
- Paying the fee for the first examination, and
- Paying the license renewal fee.

The Company urges qualified personnel to consider this matter seriously and to take the necessary steps to become registered.

### 4.2 PROFESSIONAL ORGANIZATIONS

It is important for the continued growth of the Company that employees advance professionally. One effective step in professional growth is active membership in technical and professional societies. Therefore, the Company encourages its qualified employees to join at least one of the leading technical societies and actively support it on the local level.

Examples of the society or organization are ASCE, ACECH, and GBA.

In connection with local professional activities, the Company may allow reasonable time off to attend luncheon meetings. Attendance at these meetings should be approved by the employee's immediate supervisor prior to each meeting. The employee will pay the cost of luncheon meetings.

The Company will pay the cost of meals at dinner meetings of local professional societies for all levels of professional employees, including officers. There will be no payment of time for attending dinner meetings. Again, your supervisor should approve attendance at these meetings in advance.

### 4.3 WRITING TECHNICAL PAPERS

We believe that technical papers and publications provide positive publicity for the Company and for the individual engineer. The contribution such papers make to the art

and science of engineering is an additional professional value. Therefore, the policy of the Company is to encourage all qualified personnel to write papers. These can be for local or national societies or for periodicals.

Papers intended for publication shall be presented to the Company for review prior to submittal. Papers must be written on the individual's own time; however, because of the value to the firm of such papers, the Company will provide the following services as aids in the preparation of the papers:

- Typing of drafts
- Use of the library and records
- Limited use of a drafter's time for drawings and charts

The client concerned must approve all papers about a specific project in advance of publication. The Company's policy on papers about specific projects is that they should concern projects that have been built and are operating successfully, rather than projects in the preconstruction stage. Any prize or payment for articles accepted for publication will belong to the author.

If a technical paper is selected for presentation at a society meeting on the continental United States, the Company may pay the travel expenses and provide the time necessary for the author to attend the meeting to make the presentation.

#### 4.4 EDUCATIONAL & TRAINING PROGRAMS

Some educational and training programs are mandatory, depending on your position. For all non-mandatory training and educational programs, Employees should submit details of the programs they would like to attend to the President, along with an estimate of the necessary expenses. If attendance is approved, the Company will normally pay the seminar fee and expenses for travel and lodging. The Company may approve a request to compensate hourly employees for time spent taking courses during regularly scheduled work hours if the subject matter relates directly to the employee's work assignments and responsibilities. Additional hours of training for elective programs that extend beyond an employees' regularly scheduled work day will generally be on the employees' own time.

All employees who agree to attend a Company-sponsored training session must give the planner 24 hours' notice if they are unable to attend a scheduled class.

The Company will cover the costs of the following mandatory training classes, which are job requirements. In addition to enrollment costs, employees will be compensated for class times:

##### 4.4.1 Drilling Department Personnel

- Obtaining and maintaining a CDL or Type-4 driver's license. *See Section 6.8.1, Driver's License.*
- Hazardous Waste - initial 40 hour or annual 8 hour refresher

- Driver's Improvement
- Forklift Training
- 10-hour and/or 30-hour OSHA Construction Safety Training
- CPR/ First Aid

### **4.4.2 Laboratory Department (Field Personnel)**

- ACI Certification
- Field Sampling and Testing Qualification Training
- Nuclear Gauge Certification
- Hazardous Material DOT Training – Portable Nuclear Gauge
- CPR/First Aid
- 10-hour and/or 30-hour OSHA Construction Safety Training

### **4.4.3 Laboratory Department (Laboratory Personnel)**

- ACI Certification
- CPR/First Aid

### **4.4.4 Staff Engineers/Staff Geologists (Field Personnel)**

- Hazardous Waste - initial 40 or 24-hour and annual 8-hour refresher
- 10-hour and/or 30-hour OSHA Construction Safety Training
- CPR/ First Aid

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## 5. COMMUNICATIONS

### 5.1 COMMUNICATIONS/OPEN DOOR POLICY

The Company seeks to create an atmosphere where employees will feel free to contact management for information or advice on any matter of rightful concern to either. You are encouraged to express your opinions freely with **management** regarding the Company's policies, working conditions, and production processes. Through such means as memoranda and meetings, the Company will, in turn, keep employees informed on all matters in which they have a legitimate interest.

The Company encourages its employees to maintain open communication with their supervisors. If you have a work-related question or problem, you should discuss it with your supervisor or department head. If the problem is not resolved after such a discussion, see the HR Manager.

If you feel that you have still not received a satisfactory answer to your question, discuss the matter with the President.

### 5.2 SUGGESTION PROGRAM

As employees of the Company, you can contribute to our future success and growth by submitting suggestions for practical work improvements or cost-saving ideas.

A suggestion is an idea that will benefit the Company by solving a problem, reducing costs, improving operations or procedures, enhancing customer service, eliminating waste or spoilage, or making the Company a better or safer place to work. **Personnel issues, declarations, statements, or complaints concerning co-workers, vendors, clients, or management, or gripes without accompanying solutions or recommendations are not suggestions and should be directed to either HR, supervisors, managers, and/or the Company President, pursuant to the Company's policies regarding the timely and proper discussion of terms and conditions of employment, the reporting of concerns, and the filing/reporting of complaints, and/or policy violations.**

All suggestions should describe the problem or condition to be improved and explain in detail the solution or improvement and the reasons why it should be implemented. If you have questions or need advice about your idea, ask your supervisor for help.

A suggestion box is located by Word Processing. After HR Manager reviews submittals, they will be forwarded to the President. **If your suggestion is not anonymously submitted, clearly provide your name and contact info and you will be notified as soon as possible whether your suggestion has been adopted, adjusted, or rejected in whole or in part.**

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## 6. COMPANY REGULATIONS

### 6.1 RULES OF CONDUCT

The work we do and how we do it impacts the health, safety, and wellbeing of many parties. To protect ourselves and others, and to ensure orderly operations and provide the best possible work environment, the Company expects employees to follow rules of conduct that will protect the interests and safety of all employees, clients, vendors, partners, the Company and the general public. It is important for all employees to be familiar with and accept these rules of conduct.

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. Employees are expected to familiarize themselves with all of the rules and adhere to them to the extent that such adherence does not otherwise violate employees' rights to engage in protected and/or concerted activity.

- A. Possession, distribution, sale, transfer, use of or under the influence of alcohol, illegal drugs or drug paraphernalia in the workplace, while on duty, or while operating employer-owned vehicles or equipment.
- B. Gambling or promoting gambling during working hours and/or on Company premises at any time.
- C. Employees are expected to cooperate with coworkers, supervisors/managers, customers and vendors; Always do everything you can to be fair and courteous to fellow employees, customers, vendors, suppliers, and other people who work on behalf of the Company. Employees should particularly avoid behaviors that violate the Company's policies regarding appropriate interactions with others.
- D. Hostile and disparaging comments about others. Similarly, employees should not send make, distribute, post, or publish messages, statements, texts, photographs, video, or audio that reasonably could be viewed as disparaging or defamatory to others.
- E. Rude, discourteous, unprofessional, un-businesslike, condescending or otherwise socially unacceptable behavior;
- F. Speaking on behalf of the Company without management's express permission to do so or making or publishing statements that defame or intentionally misrepresent the Company's products and/or services.
- G. Fighting, physically intimidating actions, threatening violence, or other unlawfully disruptive behaviors in the workplace; disorderly conduct in the workplace or during work times.
- H. Soliciting or accepting gifts or gratuities from customers or vendors;
- I. Pilferage, theft, or misappropriation or unauthorized possession or custody of Company property or the property of others; any attempt to pilfer, steal, or

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- misappropriate any such property; any unauthorized use or taking of Company equipment and/or supplies (including but not limited to computer use).
- J. Intimidating, threatening, insubordinate and disrespecting customers and vendors or anyone in contact with the company;
  - K. Uncooperative behavior, refusals to comply with orders or to perform work, or other on-the-job behaviors that adversely affect operations.
  - L. Willful or repeated violations of the Company's cash or purchase procedures;
  - M. Improper and unauthorized disclosure of confidential Company information as defined by the Confidentiality policy in this employee handbook; misappropriation of Company intellectual property, including improper, unauthorized, and unlawful use of Company Logos or other confidential Company information.
  - N. Falsification of Company records (including time cards) or the giving of false reports;
  - O. Possession of dangerous or unauthorized materials, such as firearms or other weapons on Company premises or at a job site;
  - P. Excessive or chronic tardiness or absences that are otherwise unprotected by disability or other employment or labor laws;
  - Q. Violation of Company safety and health rules;
  - R. Overstaying a Company authorized leave of absence without prior authorization;
  - S. Direct interference with others in the proper performance of their jobs. During working time, the Company has every right to expect employees to perform their work and follow directives.
  - T. Unsafe behaviors, including horseplay and/or disorderly conduct while on the job, on Company premises, or at other workplace locations;
  - U. Unlawful harassment of employees or customers, including sexual harassment;
  - V. Failing to keep equipment, vehicles, or any other Company property in safe condition and clean;
  - W. Violation of any lawful Company policies, rules, or procedures, including those set forth in this handbook;
  - X. Placing personal long-distance phone calls without reimbursing the Company;
  - Y. Unsatisfactory performance or conduct that is not otherwise considered protected by law;
  - Z. Negligence or improper conduct leading to damage of employer-owned or customer-owned property;
  - AA. Smoking in prohibited areas;
  - BB. Violation of policy prohibiting sexual and other forms of harassment.

Employment with the Company is at-will and at the mutual consent of the Company and the employee, and either party may terminate that relationship at any time, with or without reason, and with or without advance notice. There is no promise of progressive discipline for violation of the above rules and the Company reserves the right to terminate an employee at any time and for any reason, as provided by law.

Nothing in the above rules or policies are designed or will be interpreted or applied in a manner that chills, discourages, or otherwise interferes with an employee's rights protected by Section 7 of the National Labor Relations Act, including the right to be engaged in protected concerted activities like discussing terms and conditions of employment, engaging in lawful protests, and other collective bargaining activities protected by law.

### 6.2 PUBLIC IMAGE

The Company always wants to make a favorable impression on the public and its clients. Employees who are well groomed, cheerful, courteous, and helpful are important to this effort. Your clothing, appearance, attitude and conduct are expected to be appropriate for a business environment. We all must look neat and use good taste and common sense in our grooming, dress and hygiene. Employees of certain departments may be required to follow specific requirements and dress codes.

The following are guidelines for acceptable and unacceptable appearance/work attire, and the Company has the right to determine and enforce as permitted by law, what is acceptable and what is considered conservative in appearance.

#### Acceptable

- Hemlines for skirts, dresses, and culottes should be of reasonable length.
- Shoes, including sling-back styles and slip-ons.
- Hairstyles and color should be neat and appropriate for our business work environment.
- Jewelry, nails and accessories should be appropriate and in good taste. Earrings should be conservative in style and size.
- Makeup and perfume, when worn, should be conservative and in good taste.
- Aloha shirts, dress shirts, slacks, shoes and socks.

#### Unacceptable

- **Revealing, provocative, or sexually suggestive** clothing
- Low-cut necklines
- **Short skirts/shorts, torn, or tight-fitting clothing.**
- Rubber slippers



- Tattoos must be hidden from public view during work hours
- T-shirts with inappropriate or offensive gestures or advertising

If you have doubt as to whether a garment is acceptable for the workplace, please refrain from wearing it.

If you report to work improperly dressed, you will be sent home by your Supervisor to change into proper attire. This time is not compensable.

### 6.3 SMOKE FREE ENVIRONMENT

We are committed to minimizing the harmful effects and discomfort smoking produces in the workplace and to preventing accidental fires caused by smoking. Smoking is prohibited in all enclosed and partially enclosed areas of the Company premises. These areas include all offices, in the lab, in the drill area and equipment yards, at all work sites, and while you work. Smoking is also prohibited at all times in Company vehicles. Effective January 1, 2016, the prohibition now includes electronic smoking devices also known as e-cigarettes.

Smoking is permitted only during breaks and is not permitted in designated “Non-Smoking” areas, in any enclosed area, or within 20 feet of doorways, windows and ventilation intakes for the prevention of secondhand smoke drifting into enclosed areas.

### 6.4 HEALTH AND SAFETY

The Company is obligated by state and federal laws to maintain a workplace that is free from recognized hazards causing, or likely to cause, death or serious physical harm. Additionally, the Company has the specific duty to comply with the safety and health rules and regulations issued under these laws.

You are required by the same laws to comply with those safety and health regulations that apply to your own actions and conduct. You must immediately report any unsafe condition or actions to your supervisor.

The Company is committed to providing all employees with a safe work environment. The effort to ensure safe working conditions requires all employees to work safely. Injury to any employee means a loss to both that employee and the Company. All employees have a duty to take reasonable care to ensure that they do not endanger themselves or anyone else by their acts or omissions. Refer to *GEOLABS’ Occupational Health and Safety Program & Manual*.

### 6.5 ALCOHOL-FREE AND DRUG-FREE WORKPLACE

The Company is committed to prevent substance abuse-related accidents and incidents by our employees. We also encourage the rehabilitation of employees who have substance abuse problems. This Policy helps us maintain these commitments to our employees and the general public. Refer to *GEOLABS’ Substance Abuse Policy*.

Federal laws and regulations mandate that the Company perform drug and alcohol testing for all employees that may operate Commercial Motor Vehicles.

### 6.6 COMPUTER, NETWORK AND INTERNET USAGE

Internet access to global electronic information resources on the World Wide Web is provided to the Company to assist employees in obtaining work-related data and technology. The following guidelines have been established to help ensure responsible and productive Internet usage. This policy applies to all users of Company owned and operated computer systems and networks.

All Company supplied technology including the internet **connections, intranet**, computer systems, **mobile devices**, and the messages, files, data, **data storage**, software and other information stored or transmitted on them are the property of the Company. All information created, sent or retrieved through the Company's internet, **intranet**, and computer system and all activities conducted using the Company's internet and computer system should not be considered private or confidential. As such, the Company reserves the right at all times and without prior notice to the employee to inspect and search the Company's internet, **intranet, devices, social media and email accounts**, and computer system and any and all information contained therein to determine whether this policy or any other Company policy has been complied with or violated. These inspections may be conducted during or outside business hours and in the presence or absence of the employee.

The Company also reserves the right to regulate the use of and inspect and search personal internet and network communication devices brought into the workplace. See *Section 6.6.4; Bring Your Own Device (BOYD) Policy*.

#### 6.6.1 E-Mail and Internet Usage

All Internet **and intranet** data that is composed, transmitted, or received via our computer communications systems, **devices, or networks** is considered to be part of the official records of the Company 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.

Personal use of Internet and e-mail services, whether via personal (BYOD) or Company-owned devices or networks, cannot interfere with business operations and must be limited to non-working hours (breaks, lunch). Personal data files and/or folders shall not be stored on the Company server (H, U or any other sharable Drive).

E-mail and Internet services, or any other network or computer resources, including personal internet devices and non-Company networks shall not be used in the workplace for viewing, archiving, storage, distribution, editing or recording of threatening, discriminatory, offensive, intimidating, obscene, harassing or

derogatory material, or any kind of sexually explicit (pornographic) image, material or document, or be 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, gender identity, or any other characteristic protected by law.

The following behaviors are examples of additional actions and activities that are prohibited and can result in disciplinary action:

- **Creating, sending, sharing, or posting** discriminatory, **rude, defamatory, harassing, retaliatory, or threatening** messages, images, **or videos**;
- Use the organization's time and resources for personal gain;
- Participate in the viewing or exchange of pornography or obscene materials;
- **Sending or posting** messages that are racial slurs, derogatory, insulting, threatening, harassing, intimidating or interfere with employee's job performance;
- Use the E-mail (domain@geolabs.net) for **non-work related purposes**;
- Employees should not transmit messages or other communications by means that either mask or hide their identity or indicate that they are sent by someone else. Employees shall identify themselves honestly, accurately, and completely and respect copyright, software licensing rules, property, and privacy rights; and
- **Making or creating recordings, video or audio or both, of others in the workplace without the express prior permission of management.**

Nothing in this policy is intended to prohibit or interfere with employees engaging in protected concerted activity or exercising their Section 7 rights under the National Labor Relations Act.

### **6.6.2 Computer Work Station and Network**

No employee may use any Company equipment to knowingly download or distribute any pirated software. Any software or files downloaded via the internet into the Company's network **may later** be **deemed** the property of the Company. Such files or software may be used only in manners consistent with their licenses or copyrights.

No employee may use Company facilities knowingly to download or distribute pirated software or data.

No employee may use the Company's internet to deliberately propagate any virus, worm, Trojan horse, or trap-door program code.

No employee may use the Company's internet knowingly to disable or overload any computer system or network, or to circumvent any system intended to protect the privacy or security of another user.

The Company's internet and computer system must not be used to violate the laws and regulations of the United States or any nation, state, city or province in any way. Use of Company property for illegal activity is grounds for discipline, including immediate termination.

Users of The Company's information systems are prohibited from using password protection to restrict access to files on Company systems, without authorization from the Company's Network Administrator.

The Company purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the Company does not have the right to reproduce such software for use on more than one computer. Employees may only use software on local area networks or on multiple machines according to the software license agreement. The Company prohibits the unlawful duplication of Company software and its related documentation.

Employees should notify their immediate supervisor, or any member of management, upon learning of violations of this policy. Abuse of the internet access **or other network and/or computer/electronic devices or resources** provided **or owned** by the Company in violation of law or the Company's policies will result in disciplinary action, up to and including termination of employment. Employees may also be held personally liable for any **costs or damages arising from** violations of this policy.

### **6.6.3 Use of Blogs and Social Networking Sites**

- Do not blog or engage in other social networking on Company time.
- Nothing in this policy is intended to prohibit or interfere with employees engaging in protected concerted activity or exercising their Section 7 rights under the National Labor Relations Act such as restricting employees' rights to discuss the terms or conditions of employment while not on working time.
- Do not disclose Confidential information **and Company trade secrets like sales data, customer lists, or any confidential or proprietary information** regarding customers, vendors, and business partners **or their** financial data and non-public proprietary information.
- Do not view, publish or post harassing, retaliatory, derogatory, or racially or sexually offensive material.
- Do not use the Company logo to imply that your communications are endorsed by the Company.

- Respect all copyrights and intellectual property owned by the Company.
- Do not indicate or imply that you are acting as a Company representative or spokesperson.
- Be truthful and respectful.
- All social media accounts created or used on behalf of the company belong solely to the company. The company retains sole ownership of all login information, passwords, and the associated content of those social media accounts; no employee has no any claim of ownership or interest in the content created and distributed through those social media accounts; Regardless of who is responsible for posting to or managing such accounts, but that all followers, friends and social connections associated with the social media account belong to the Company, and employees shall relinquish and not use social media accounts created or used on behalf of the Company after termination of their employment.

### 6.6.4 Bring Your Own Device (BYOD) Policy

Employees authorized to use their own personal device to access the Company's network, must comply with Section 6, *Computer, Network and Internet Usage* of this employee handbook in addition to this Bring Your Own Device (BYOD) policy.

BY CONNECTING YOUR COMPANY-APPROVED DEVICE TO COMPANY NETWORKS, ACCOUNTS, AND SYSTEMS, AND BY CONDUCTING COMPANY BUSINESS ON YOUR COMPANY-APPROVED DEVICES, YOU CONSENT TO THE COMPANY'S MONITORING, ACCESSING, REVIEWING, COPYING, RECORDING, AND ERASING OF CONTENT ON YOUR DEVICE AS DESCRIBED IN THE COMPANY'S BYOD POLICY.

If your device is lost or stolen, you must immediately notify the IT Department, Human Resources, and your manager.

For security purposes, employees conducting company business on their own devices consent to the remote or direct erasure and wipe of the entire device, including all business-related and personal information that may be contained thereon, to be done at the Company's request.

By using your personal device to conduct Company business, you agree to assume all risk associated with such use, including the risk of personal data loss or breach in the even agree that a data wipe, erasures, or other IT interventions are required to protect Company information and interests.

The Company will not be responsible for any losses, damages, or liability arising out of your use of a personal device to achieve the Company's business purposes, including any loss of access to or corruption of data, software, or applications, or loss of access to or functionality of the device.

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Employees are responsible for the upkeep and maintenance of their BYOD device(s). The Company will not be responsible for lost, stolen or damaged BYOD device(s). To the extent permitted by the NLRA, the Company also reserves the right to regulate the use of and inspect and search personal internet and network communication devices brought into the workplace or used to access the Company's network.

Employees who are authorized to BYOD must:

- Ensure that their BYOD device(s) are properly secured physically and virtually via password protection.
- Report lost or stolen BYOD devices to the HR Manager immediately.
- Report all instances where the Company's network or information was accessed via their BYOD device by anyone who is not unauthorized to do so.
- Use the Company network for work related tasks and functions only.
- Provide the Company login in and password information to their BYOD device upon request.
- Install up to date computer security software.
- Comply with the Company's demands to remotely secure, wipe, erase, or lockdown an employee's lost or stolen BYOD device.
- Prior to terminating employment, or prior to selling, transferring, replacing, or otherwise changing BYOD devices, notify the Company of the same and provide the Company adequate time and access to the device to ensure compliance with data security protocols.

Employees who are authorized to BYOD may not:

- Allow unauthorized individuals to use their BYOD device to access the Company's network or information.
- Download, save, backup or transfer information from the Company network to their BYOD device, disc, hard drive, cloud drive or any other means of data storage without prior authorization.
- Modify, distort or remove security measures set in place to secure the Company network.
- Use their BYOD audio, video and still image recording functions to record **anything on Company property or regarding company employees**, customers, vendor, and business partners as well as **confidential information regarding** financial data and non-public proprietary information unless authorized to do so by Management.

- Utilize their BYOD device while operating vehicles or machinery owned by the Company or in a manner otherwise prohibited by Sections 6.7.1 and 6.7.2 below.
- Use their BYOD device to work unauthorized overtime by conducting Company business outside of regularly scheduled working hours without prior supervisory permission to do so.
- Violate any policies or provisions of Section 6, *Computer, Network and Internet Usage* when using BYOD Devices.

### 6.7 COMPANY CELLULAR PHONES

The Company may provide a business cell phone to employees where job or business needs demand access to an employee for work-related communications.

Employees in possession of Company equipment such as a cell phone are expected to protect the equipment from loss, damage or theft. Upon resignation or termination of employment, or at any time upon request, the employee may be asked to produce the phone for return.

All employees are expected to follow applicable state or federal laws or regulations regarding the use of cell phones at all times.

#### 6.7.1 Safety Issues

The use of a cell phone for any communication purpose is prohibited without a hands-free device (except to make a 911 emergency call) while:

- Driving a Company vehicle at any time, or
- Driving a personal, rented, or borrowed vehicle being used on Company business, or
- Conducting Company business while driving a vehicle of any type, no matter who owns it.

Safety must come before all other concerns; keep your eyes on the road. The only time you should use a cell phone is when the vehicle is not on a roadway (including roadway shoulders or emergency lanes). Wait until stopped and parked in a safe location to dial, receive, converse, read, or compose text messages on the cell phone in any way.

Employees are prohibited from using any BYOD or Company issued device to conduct Company related business while driving a vehicle. Employees who are charged with traffic violations resulting from the use of their cell phone while driving will be solely responsible for all liabilities that result from such actions.

### 6.7.2 Hands-Free Device

Non-transmitting hands-free devices will be provided with Company issued phones to facilitate compliance with the provisions of this policy. Employees are responsible for ensuring that they are issued functional devices and for securing repairs or replacements as needed. Inadequate, broken, or missing equipment is no excuse for violations of this policy.

### 6.7.3 Reimbursement for Cell Phone Use

The Company will reimburse an employee \$50 per month for his/her business use of a personal cell phone as a NONTAXABLE reimbursement. \$23.08 will be added to the bi-weekly paycheck as a NONTAXABLE reimbursement. \$23.08 is \$50 per month spread over 26 paychecks.

## 6.8 DRIVING COMPANY VEHICLES

Use of an assigned Company (non-pool) vehicle is allowed between home and office and/or job site for business purposes only. Use of an assigned Company (pool) vehicle is allowed between office and job site only. Unless approved in writing by management, personal use of a Company vehicle is prohibited. ONLY authorized Geolabs employees are permitted to drive Company vehicles.

Employees driving a Company vehicle or driving on Company business must observe all safety, traffic, and criminal laws. No driver may consume alcohol while driving a Company vehicle, while on Company business, while in a Company vehicle, or prior to the employee's shift if such consumption would result in a detectable amount of alcohol being present in the employee's system while on duty. Any illegal, dangerous, or other conduct while driving that would tend to place the lives or property of others at risk is prohibited.

A driving class, written defensive-driving exam or both will be required, at the employee's expense, if management deems them necessary.

All traffic tickets incurred by the employee while driving Company vehicles (parking and/or moving violations) are the responsibility of the employee.

Any driver who receives a traffic citation from or is arrested by a law enforcement officer, or who is involved in any kind of accident while driving, must inform an appropriate supervisor thereof immediately or as soon as possible after the incident. Any penalty, fine, imprisonment, fee, or other adverse action imposed by a court in connection with such an incident must be reported immediately to an appropriate supervisor. In both of the above situations, the matter will be reported to the Company's insurance carrier so that a prompt decision on continued coverage of the employee can be made.

Employees with assigned vehicles who plan to be away from the office for more than a few weeks (e.g. PTO) may be required to bring the vehicle back to the office. See the HR Manager.



### 6.8.1 Driver's License

The assignee must maintain a valid driver's license. A copy of the new license, renewal, or change in type of license shall be submitted to the HR Manager within 48 hours of obtaining it. Drilling personnel and the mechanic are required to obtain and maintain a valid CDL or Type-4 driver's license, whichever is appropriate. *See Section 4.4.1, Educational & Training Programs; Drilling Department Personnel.*

### 6.8.2 Driver's Abstract

Employees who drive Company vehicles are required to submit a copy of his/her current driver's abstract to personnel for the Company's insurance record before the first day of work or as soon as possible after employment begins.

### 6.8.3 Vehicle Maintenance

Employees that have the privilege of using a Company vehicle for transportation to and from home or uses a pool vehicle during working hours to and from work is responsible for keeping the vehicle in good condition, clean, and free of debris.

Employees assigned a (non-pool) Company vehicle are responsible for completing all preventive maintenance and servicing, including ensuring that it is washed and waxed regularly. Hourly employees assigned to perform or secure maintenance of an assigned (non-pool) company vehicles must have managerial permission to do so outside of normally scheduled working times.

Employees who operate Company vehicles are responsible for reporting mechanical problems that affect the safety or operation of the vehicle. To report a problem, an employee is required to complete a Repair Request Slip; submit it to the HR Manager for coordination of the repair. Failure to report vehicle problems constitutes negligence and will be noted and dealt with appropriately.

### 6.8.4 Reporting Vehicle Accidents

Employees involved in an accident, must file a police report and submit it along with the Automobile/Damage Loss Report of the accident on the same day. The Automobile/Damage Loss Report can be obtained from the HR Manager. NEVER settle for any cash payment with the other party. *Refer to Occupational Safety & Health Program, Section 7, Accident Investigation & Reporting Procedures.*

Any employee who violates any part of this policy, or who becomes uninsurable as a driver, will be subject to loss of vehicle privileges and/or other disciplinary action.

### 6.8.5 Seat Belts

Seat belts are extremely effective in preventing injuries and loss of life. We care about our employees and want to make sure that no one is injured or killed in a tragedy that could have been prevented by the use of seat belts. Therefore, all

employees must wear seat belts when operating or traveling in a Company-owned vehicle, or any vehicle on Company premises or on Company business; and all occupants are to wear seat belts or, where appropriate, child restraints when riding in a Company-owned vehicle, or in a personal vehicle being used for Company business. All employees and their families are strongly encouraged to always use seat belts and the proper child restraints whenever they are driving or riding in any vehicle.

### 6.8.6 Gasoline Purchases

The Company is primarily using the 76 Fleet Charge Card for fuel purchases on Oahu and Chevron/Texaco, Shell, and HFN charge cards on the neighbor islands. Employees issued a charge card may only use them to purchase use for gasoline for Company vehicles. Purchase of gasoline for personal vehicle or any other use of Company charge cards is strictly prohibited. Any violation or abusive pattern is subject to disciplinary action and/or termination.

The license plate number and mileage should be recorded on your receipt for proof of purchase and then submitted to the Accounting Department for auditing and filing.

For cash purchases, the license plate number and the mileage should be recorded on the receipt and then submitted to the Accounting Department for reimbursement.

### 6.8.7 Global Positioning System (GPS)

The Company reserves the right to install and use GPS trackers to monitor vehicle location and activities for safety and business reasons.

GPS monitoring also aids in the recovery of stolen vehicles and to locate the vehicle (and the employee) in case of an accident or emergency.

## 6.9 PERSONAL VEHICLE

Occasionally, in unusual circumstances, employees are asked to use their personal vehicles for work-related transportation. In such a case, get the approval of your immediate supervisor before doing so. The Company will reimburse employees for all miles driven for business purposes. *See Section 2.8, Use of Personal Vehicle.*

Car maintenance, operating costs, wear and tear, damage to the vehicle (including the insurance deductible) and any additional insurance for business use must be paid for by the employee and will not be reimbursed.

## 6.10 PARKING

Employees' are responsible for locating legal street parking. The Company will not pay for parking citations received for having illegally parked a Company vehicle. The drill yard is

reserved for drilling equipment and flatbeds and the lab yard is reserved for field trucks and for loading and unloading.

The three parking stalls in front of the Akahi laboratory and the four parking stalls on the left side in the warehouse parking lot are not available for general employee parking. All other parking stalls may be used by office personnel on a first come first serve basis when no street parking is available. Drill personnel may park in the drill yard and laboratory personnel may park in the lab area when no street parking is available. Vehicles must not block the entrant gates in the drilling and lab areas.

### 6.11 WORK RECORDS & ACCOUNTING CODES

All time charged on an employee's time sheet and data sheet, must be complete and have the proper accounting code before it is submitted to the accounting department for payroll and job cost processing.

### 6.12 SUPPLY PURCHASE

An employee who intends to make a supply purchase must complete a purchase order request. Purchase order forms are available from the Drilling Department or the Accounting office. The purchase order must have the following information: description of the item to be purchased, vendor name, and (if applicable) the work order number and project for which the purchase will be used. The employee must sign the purchase order, and have it approved by authorized personnel. Without a Company purchase order, it may be difficult to make a purchase from certain vendors. Receipts accompanying the purchase must be submitted to Accounts Payable.

### 6.13 BUSINESS TRAVEL

#### 6.13.1 Travel Pay

*See Section 2.6, Travel Time; Overnight Travel.*

#### 6.13.2 Per Diem

A per diem will be paid for out-of-town assignments at the following rates established by the Company.

- a. More than one day business travel to the neighbor islands; full per diem of \$50 will be paid when overnight stay is required. On the last day of such stay a per diem of \$25 unless the employee is on the job for more than 9 hours.
- b. One day business travel to the neighbor island; per diem of \$20 if less than 9 hours; per diem of \$40 if greater than 9 hours.

Outer island trips to Honolulu for training purposes will not be paid per diem.

### **6.13.3 Travel Advances**

An employee may obtain an advance, in the form of a check, to cover anticipated business expenses while on a travel assignment (foreign or domestic). Request for such an advance should be made in writing on an Expense Sheet form. Indicate anticipated days for per diems, car rental and gasoline, and other field expenses. An employee is encouraged to make his/her own travel arrangements if s/he has a personal preference.

Completed Expense Sheets and Company charge cards, along with the necessary receipts for any completed trips must be turned in within 24 hours upon arrival in Honolulu. If any refund or credit results from changes in accommodations or routing, it should be returned to the Company, and any cash reimbursement on any unused balance of travel advance should be settled with the Accounting Department within the period of time specified above. *See Section 6.8.6, Gasoline Purchases.*

Cash advances and airline tickets are the responsibility of the employee and should be kept in a safe and secure place. *See Section 6.14, Loss of Company Property.*

### **6.13.4 Travel and Entertainment Reimbursements**

All travel and entertainment costs incurred for business purposes and deductible under the Internal Revenue Code will be reimbursed by the Company if approved in advance and submitted to the Company on the Personal Expense Sheet with supporting receipts and/or invoices satisfactory to the Company. The Company may request additional information to substantiate any reimbursement request.

### **6.13.5 Carriers**

Except in special cases, the employee will fly to his/her destination by the most direct route possible, in economy class or its equivalent.

Employees ordinarily will use regularly scheduled commercial airlines for air travel on Company business. They may use chartered or military aircraft only when there is no alternative.

Employees are expected to retain the passenger's copy of all used tickets for inclusion with their expense accounts. The Company needs these copies as proof of the trip and as necessary documentation for the project charge. This is especially important on overseas flights when your route changes, because U.S. airlines are committed to maintaining the higher insurance coverage when the original ticket is issued and originates in the United States.

## **6.14 LOSS OF COMPANY PROPERTY**

When a loss or damage occurs, the office and/or the police are to be notified immediately.

Employees **may** be subject to disciplinary action if the loss or damage to **company property** was the **result of the employee's** willful negligence.

### 6.15 COMPANY LIBRARY MATERIALS

The Company has an extensive library of materials concerning the geotechnical field. We encourage our technical employees to use it, during work or spare time. These books and other material have proved valuable to us, and most are hard to replace. An employee who takes material from the library is responsible to return the material to the same place in the library.

### 6.16 LOCKERS

- The Company provides lockers and locks as needed.
- Lockers are reserved for field personnel and for individuals who do not have an assigned desk.
- Employees may be assigned an individual locker for storage of essential personal belongings. The Company is not responsible for personal belongings left in the lockers.
- For the protection of employees and the Company, management reserves the right to inspect employee lockers and personal belongings on Company premises. If you object to having your belongings inspected, please do not bring them on premises. *See Section 6.17, Security Inspection.*
- Switching lockers is prohibited. If the lock on your locker is damaged, please report it to management and ask to use an unused locker until the lock is repaired. If you are assigned a locker in the Drilling Department, please do not use another one in the Lab or switch without written authorization.

### 6.17 SECURITY INSPECTION

To protect you, your fellow employees, our customers, and the Company from injury or the loss of property, management must reserve the right to examine any and all persons or objects while on Company premises including Company vehicles. Any search or inspection of his/her person or personal property located on Company premises, work sites, or facilities, including, but not limited to, Company parking lots, lockers and desks. *See Section 6.16, Lockers.*

We appreciate your cooperation in helping the Company prevent theft and eliminate hazardous materials, alcohol and illegal drugs from our workplace.

### 6.18 BUILDING AND YARD SECURITY

Authorized personnel entering or leaving the premises during non-office hours must immediately call Sentinel Alarm Company with their name and pass card number; otherwise the alarm Company will call the police. Sentinel allows one 15-minute early entry and one three-hour late departure without a call-in. Thus, non-office hour entries

requiring a call to Sentinel Alarm Company include Holidays, Sundays, and all times other than those listed below. Regular business operation times are Monday through Friday 5:30 AM to 9:00 PM and Saturday 5:30 AM to 3:00 PM.

The lab doors will be locked and the alarm set by the last lab or field personnel by 3:00 PM but no later than 5:00 PM daily. An employee returning after 3:00 PM and finds the door locked must follow the procedures to disarm and arm the security system. **Employees discovering a breach to the premises should follow safety protocols and contact management and/or security prior to entering the premises.**

### 6.19 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees, visitors, and the facilities at the Company, only authorized individuals are allowed in the workplace. Restricting access of unauthorized individuals helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should report and enter the Company at the reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

### 6.20 CHILDREN IN THE WORKPLACE

The Company understands that at times there may be a need to bring a child to the workplace when alternative child care is not available. However, the office is a place of business and it is not equipped for child care. For the safety of your child and to maintain a professional work environment, the following guidelines must be adhered to:

- The Child is under the age of 14 and must have adult supervision.
- The Child stays in an empty cubicle, in the office library or the conference room only if it is available. Personnel reserve the right to use the conference room at any time.
- The Child is kept busy with reading materials, learning activities, electronic gadgets, watching television, etc.
- The Child is advised to stay in his/her designated area unless they need the restroom.
- The Child is dressed in appropriate attire for an office environment and wears footwear for his/her safety.
- The Child does not have an illness that should not be brought to the office.
- If the Child needs to rest, he/she should be advised to do so in an empty cubicle, limited to no more than an hour and rest in an appropriate manner.

A child brought to the workplace in unavoidable situations will be the responsibility of the employee parent and must be under the direct supervision of the employee parent at all times. As long as the parent and child **can safely** abide by these guidelines **without**

diminishing anyone's productivity, including the parent's, we can allow your child a safe haven while you work.

### 6.21 COMMUNICABLE AND LIFE-THREATENING ILLNESSES POLICY

Employees with life-threatening illnesses, such as cancer, heart disease, SARS and HIV/AIDS, often wish to continue their normal pursuits, including work, to the extent allowed by their condition. The Company supports these endeavors as long as employees are able to perform essential job functions, meet acceptable performance standards and as long as the best medical evidence available indicates that casual workplace contact with the afflicted employee will not result in the transmission of the disease to other employees. As is the case with all protected disabilities, the Company will make reasonable accommodations in accordance with all legal requirements, to allow qualified employees with life-threatening illnesses to perform the essential functions of their jobs.

Employee medical information will be treated confidentially. The Company will take necessary precautions to protect such information from inappropriate disclosure. Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information. Anyone who inappropriately discloses such information is subject to disciplinary action, up to and including termination of employment.

Employees with questions or concerns about life-threatening illnesses are encouraged to contact the HR Manager for information and referral to appropriate services and resources.

### 6.22 CONFIDENTIALITY POLICY

It is the Company's policy to protect its property and proprietary information. The willful disclosure of Company trade secrets and/or confidential and proprietary information during or after termination of employment constitutes a violation of Company policy and may result in disciplinary action up to and including discharge for current employees and/or legal action.

Confidential and proprietary information includes any data or information that is valuable to the Company and not generally known to competitors or other outsiders, regardless of whether the confidential information is in printed, written, or electronic form, retained in your memory, or compiled or created by you. This includes, but is not limited to documents and information relating to clients, client lists or requirements, client relationships, price lists or pricing structures, profit margins, marketing and market information, business plans or dealings, research or research activities, designs, plans and other documents, data, or information not otherwise relating to the terms and conditions of employment, but related to the Company or its client's business.

Confidential information as defined by this policy and applied throughout this employee handbook expressly does not include information that relates to the Company's employees or the terms and conditions of their employment and is otherwise protected

by the National Labor Relations Act. All other information and work product, including letters, blueprints, memoranda, presentations, e-mail, and all other documents, whether hard copy or not, is confidential and the property of the Company; as such, it may not be taken, copied, shared, published or transferred from the Company's premises, systems, accounts, or networks for the employee's personal use or other non-business related uses unless the employee receives prior written authorization from the Company.

### **6.23 NON-SOLICITATION**

A former employee shall not, for 12 months after the end of his/her employment with the Company, solicit or attempt to entice away from the Company, any employees, clients, contractors, vendors or suppliers with whom they were in contact with, concerned or responsible for at any time during their employment with the Company.



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## 7. SEXUAL AND OTHER FORMS OF UNLAWFUL HARASSMENT POLICY

We prohibit sexual harassment of any employee, **applicant**, manager, supervisor, vendor, supplier, customer or member of the general public in the workplace on the basis of race, color, religion, gender, sexual orientation, gender identity **or expression**, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran, lactation, or other protected category.

Sexual harassment is defined as an unwelcome sexual advance, a request for sexual favors and other verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made an implicit or explicit condition of employment; (2) submission to or rejection of such conduct affects employment opportunities; or (3) the conduct interferes with an employee's work or creates an intimidating, hostile or offensive work environment.

This means that no manager, supervisor or employee shall threaten or imply, either directly or indirectly, that another **person's** refusal to submit to sexual advances or other sexual conduct will adversely affect that person's **relationship and business with the company, including any agreements, contracts**, employment **status**, performance evaluation, pay, promotion, duties, shifts, or any other **terms or** conditions of employment. Similarly, no employee shall promise, imply or grant any preferential treatment in connection with another **person**, employee, or applicant engaging in sexual conduct or consenting to or covering up harassment. Examples of prohibited conduct include:

- Directly or indirectly requesting or suggesting sexual favors in exchange for a job, promotion, raise, or business opportunity;
- Discipline or firing a subordinate because s/he ended, **altered, or refused** a romantic relationship; or,
- Changing job performance expectations after a subordinate refuses requests for a date **or other requests for development of a personal relationship**.

We prohibit **unwelcome** sexual or gender-based conduct in the workplace or that affects the workplace. Conduct is deemed to be **unwelcome** when someone who experiences the conduct reasonably believes or could reasonably believe it to be offensive. This victim may either be the intended recipient of the unwelcome conduct or an unintended witness or bystander. Examples of prohibited conduct include:

- **Inappropriate** flirtations, advances or propositions (e.g., **repeated** requests for dates);
- **Inappropriate and/or unwelcome** touching of an individual (e.g., back massages, hugging, kissing);
- Gestures or comments about an individual's body, attire, or appearance;
- Sexual jokes or innuendoes;
- Discussion about social or sexual life;

- Gender-specific words to an individual (e.g., babe, hunk, honey, dear);
- Use of sexually degrading or gender-specific profane words to describe an individual (e.g., b-t-h, c--t); or,
- Display in the workplace of sexually suggestive objects, cartoons, pictures, or calendars.
- **Sharing or sending sexually suggestive texts, images, videos, or other messages that violate the Company's harassment policy.**

### 7.1 COMPLAINT AND INVESTIGATION PROCEDURES

Any employee, customer, vendor, supplier or member of the public who feels that **they or others have** been subjected to conduct that is prohibited by this Policy should immediately report the matter to Management, and HR Manager. **If you are not comfortable reporting the behavior to your manager or direct supervisor, find another member of management or the HR Manager and report the behavior immediately. Employees are welcome to request and utilize an Incident / Concern Form but no particular forms or procedures are required to make a report or file a complaint.**

**Once a complaint is filed or inappropriate behavior is reported, the Company will take immediate and effective action to prevent future potential occurrences of prohibited conduct while the matter is being investigated and addressed.**

We will conduct a prompt and effective investigation of all allegations of prohibited harassment and/or retaliation in as confidential a manner as possible. We are committed to providing a workplace free of unlawful discrimination, harassment and retaliation but can only do so if employees with concerns or questions bring them to our attention. *Reference Investigation Confidentiality Agreement Form.*

**The Company has a strict policy** prohibiting retaliation against individuals who complain about harassment or cooperate with an investigation. ***See Section 7.4, Retaliation.*** **Employees are encouraged to report inappropriate behaviors without fear of retaliation or negative consequence for reporting or participating in any investigation.**

### 7.2 CORRECTIVE ACTION/DISCIPLINE

If an individual is determined, after an investigation, to have engaged in conduct prohibited by this Policy, s/he shall be subject to appropriate disciplinary action, up to and including immediate termination of employment.

### 7.3 OTHER FORMS OF HARASSMENT

This policy also prohibits any form of discrimination or harassment of any employee, customer, vendor, supplier or member of the public in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events on the basis of race, color, religion, gender, sexual orientation, gender identity, national origin, age, disability, genetic information, marital status, amnesty or status as a covered veteran, lactation and other protected category.

## SEXUAL AND OTHER FORMS OF UNLAWFUL HARASSMENT POLICY

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We prohibit slurs, jokes, or similar-type epithets based upon any of these protected categories made to any employee, customer, vendor, supplier or member of the public by any employee in the workplace. Examples of prohibited conduct include:

- Directly or indirectly conditioning terms and conditions of employment or public accommodation upon an individual's participation or acquiescence in conduct related to a protected category (e.g., requesting or suggesting that an employee attend church in exchange for job benefits);
- Jokes or innuendoes about an individual's protected category (e.g., jokes about racial stereotypes, pejorative references to ethnic food, speaking in accents);
- Discussion about a protected category (e.g., religious evangelism in the workplace); or,
- Slurs or similar-type comments or remarks about an individual's protected category (i.e., racial or sexual orientation slurs).

The same procedures outlined above in Complaint Procedures will be used to receive **and respond to** complaints of such harassment. We will take appropriate action **reasonably designed** to prevent future **possible** occurrences of prohibited conduct. If the individual is determined, after an investigation, to have engaged in conduct prohibited by this Policy, s/he shall be subject to appropriate disciplinary action, up to and including immediate termination of employment.

### 7.4 RETALIATION

We prohibit retaliation against **any** employee or individual that has complained of sexual or other forms of harassment, complained of other types of discrimination, reported or complained **of** violations of **the** law or internal policy, cooperated with the investigation of a complaint, or acted as a witness during the investigation of a complaint. Examples of prohibited retaliation include threats, reprimands, negative evaluations, harassment in or out of the workplace, hazing, and other types of adverse treatments, such as surveillance, exclusion from business-related activities, or "stink eye", that are reasonably likely to deter protected activity by that individual or other employees. Any employee who engages in retaliation prohibited by this Policy shall be subject to appropriate disciplinary action, up to and including immediate termination.

This policy does not create any contractual promise but instead is a description of the standards of behavior expect of all employees.

The Company also maintains affirmative action plans in accordance with applicable federal regulations. *See Geolabs' Affirmative Action Program Manual.*

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## **8. WORKPLACE VIOLENCE PREVENTION POLICY**

The Company is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, we have adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on our premises.

All employees, including supervisors and temporary employees, 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 from the premises of the Company without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, supplier or vendor during on or off-duty periods, will not be tolerated. This prohibition includes all **intimidating, hostile, threatening, and physically aggressive or confrontational** acts of harassment, including harassment that is based on, **motivated by, or related to** an individual's sex or gender, gender-identity **or expression**, race, age, religion, color, national origin, ancestry, marital status, disability, sexual orientation or any characteristic protected by federal, state, or local law.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to Management and the HR Manager. This includes threats by employees, their family members, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported as soon as possible to Management and the HR Manager or call the police immediately. Do not place yourself in peril.

### **8.1 DOMESTIC VIOLENCE**

All individuals who apply for or obtain a protective or restraining order which lists Company locations as being protected areas, must provide to the HR Manager a copy of the petition and declarations used to seek the order, a copy of any temporary protective or restraining order which is granted, and a copy of any protective or restraining order which is made permanent.

### **8.2 ANTI-BULLYING**

Workplace bullying is defined as intimidation, slandering, social isolation, or humiliation by one or more persons against another.

We encourage employees to bring their disputes or differences with other employees to the attention of Management and the HR Manager before the situation escalates. The Company is

## **WORKPLACE VIOLENCE PREVENTION POLICY**

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eager to assist in the resolution of employee disputes and will not discipline employees for raising such concerns.

The Company 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 to the extent possible. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending 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 immediate termination of employment.

## 9. DISCIPLINARY/CORRECTIVE ACTION

We, as a Company, consider employee discipline a management prerogative and a serious responsibility. It is a necessary part of running a business and ensures fair treatment of employees in an efficient and safe work environment.

Company regulations establish guidelines for good conduct, efficiency, and safety. They apply to actions that may interfere with the safe, proper conduct of our work and the performance of your job. The guidelines in this manual are examples and are not intended to be all-inclusive. They are reasonable, they apply to every employee, and they will be consistently enforced. We know you will want to comply with them.

When a clear-cut infraction occurs, disciplinary action will be taken. There is no fixed, mechanical formula for determining what action will be taken in each case. The severity of any disciplinary action will depend on the gravity of the situation and the nature of the infraction; however, **the following important factors may be considered when determining the appropriate consequences, and the Company reserves the right to weigh the various factors as it best serves the Company and as dictated by any lawful and legitimate business considerations:**

- The seriousness of the offense
- The employee's record
- The circumstances surrounding the particular case
- Past Company practice in similar cases
- **Changed circumstances**
- **Current operational contexts**
- **Unique personnel impacts and managerial challenges**

Management has the exclusive responsibility and authority to determine when, whether, **and how** to discipline employees. Discipline may consist of a verbal warning or reprimand, a written warning or reprimand, **loss or changes in position or responsibility**, or in extreme cases, suspension or termination of employment. In all cases, management reserves the right to determine the type of discipline to be imposed **and makes no promises of progressive discipline.**

**Company policies** are for everyone's benefit **and the company** will **make every effort to** enforce them in a manner that **attempts to** treat every employee fairly and impartially.

### 9.1 RESOLVING CONCERNS

If you have differences with your supervisor or co-workers; if you believe a co-worker is not handling his/her job in a safe and professional manner; if you feel you have been treated unfairly; or if you feel that a Company policy is unfair or can be improved, or if you think a policy is not being properly applied, the Company will help you resolve your **concerns.**

## DISCIPLINARY/CORRECTIVE ACTION

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Here are **some** options available to you, **presented in no particular order**:

**1: Discuss Directly** - Talk to your supervisor. If something about work is bothering you, your supervisor should know about it. In fact, he or she probably already knows because if you are bothered, chances are it shows in your behavior and, maybe, in your work. In most cases, your problem can be solved at this level because your supervisor is usually in the best position to help. But you must tell him or her what is bothering you, and the two of you must discuss the problem, before he or she can help you solve it.

**2: Get a Different Perspective** - Talk to your supervisor's boss. Sometimes a working relationship can deteriorate. At a certain point, **clear** communication **can** get blocked, and both parties **need help** maintaining objectivity. If you think this is happening with you and your supervisor, **you are not comfortable raising issues directly with your supervisors**, or if you are not satisfied with the solution your supervisor proposes, you can talk to your supervisor's boss and explain your **concerns**. He or she will try to help resolve it.

**3: Talk to the President or HR Manager**. Although it is best to resolve **concerns** at the supervisory level **where possible**, you do not have to talk to anyone else first. That decision is up to you. The HR Manager will work with you (and any other people you give him or her permission to contact) to **try to help you** help resolve your **concerns**.

## **DISCLAIMER**

THE POLICIES DESCRIBED HEREIN ARE GUIDELINES REFLECTING CURRENT POLICIES AND ARE NOT INTENDED TO AND DO NOT CREATE A CONTRACT BETWEEN YOU AND THE COMPANY. THE COMPANY RESERVES THE RIGHT TO CHANGE, ADD, OR DELETE ANY POLICY, PRACTICE OR BENEFIT (INCLUDING BENEFITS FOR WHICH AN EMPLOYEE IS ELIGIBLE BUT NOT YET ENTITLED TO BE PAID) AT ANY TIME, WITH OR WITHOUT NOTICE.

THIS VERSION OF THE EMPLOYEE HANDBOOK REPLACES AND SUPERCEDES ALL PREVIOUS VERSIONS.



## EMPLOYEE HANDBOOK RECEIPT AND ACKNOWLEDGEMENT FORM

I **acknowledge that** I have received a copy of the Company's Employee Handbook.

I understand that this Employee Handbook is a general overview of some of the Company's personnel policies and guidelines and that these policies and guidelines, as well as any other policies and guidelines which may be adopted by the Company, are subject to modification, discontinuation or change without notice by the President **of the Company**.

I **acknowledge and understand that I alone am responsible for** reading, understanding, and **following** the guidelines and procedures contained in this Handbook. **I understand that** if I do not understand anything in this Handbook, it is my responsibility to discuss it with either my supervisor or other appropriate Company representatives. **I accept responsibility for ensuring that I clearly understand all Company policies and rules contained in this employee Handbook and I acknowledge that I will be responsible for any** violation of these policies and guidelines. I further acknowledge and understand that violation of these policies and guidelines will generally constitute reason for disciplinary actions, up to and including discharge.

I understand that this version of the Employee Handbook replaces and supersedes all previous versions.

I understand that because business judgments and needs may change over time, the policies and guidelines described in this Handbook are not conditions of employment and **do not constitute any kind of employment agreement between myself and the company. I UNDERSTAND THAT THIS HANDBOOK IS NOT INTENDED TO CREATE A CONTRACT BETWEEN MYSELF AND THE COMPANY. I UNDERSTAND THAT MY EMPLOYMENT IS FOR NO FIXED TERM AND MAY BE TERMINATED, WITH OR WITHOUT CAUSE OR NOTICE, AT ANY TIME AT THE OPTION OF MYSELF OR THE COMPANY.**

In addition, I understand that no Company representative other than the President has the authority to enter into any written or oral employment contract or agreement for employment, for any specified period of time or to limit termination to certain specified reasons or only after the exhaustion of certain procedures. I understand that such an agreement must be in writing and signed by both parties, and I agree that no such representations have been made to me.

I understand the Company will evaluate my work performance and continued employment based **in part** upon the policies and guidelines contained in this Handbook.

I also understand that in case of termination, I will settle all open employee charge accounts in full and return all tools, Company property, including keys, prior to my last day of work.

THIS HANDBOOK SUPERSEDES, REPLACES AND CANCELS ALL PRIOR HANDBOOKS.

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Print and Sign Name

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Date