



Employee Handbook

July 2019

I. Introduction

A. Introduction and Definitions

Welcome to Strategic Analytix, Inc. (also referred to as the Company or SA)! As a new employee of our company, we wish you the best of luck in your job and hope that you find your employment here to be a rewarding experience.

We would like to begin by recommending that you become familiar with the company website, which can be found at: www.strategic-analytix.com. Our website is regularly updated with news about SA and provides a detailed description of the services that SA offers. It also provides access to important information such as SA's policies and procedures, frequently used forms and briefings, open positions, and the electronic time-keeping system.

We are also providing you with our employee handbook (also referred to as handbook), which is also available on our website. Please read it carefully and keep it for future reference. The handbook is a convenient source of information about SA and its employment practices and procedures. SA will update the handbook as our Human Resources (also referred to as HR) practices and procedures are modified. We will notify you of these changes by appropriate means as soon as possible.

This handbook is not a contract and is not intended to change any contract under which you are employed, or to modify in any way the current, "at-will" nature of your employment. "At-will" employment is explained later in this handbook.

SA would like to define the following terms used in the handbook:

- The term "employment" means your co-employment with SA
- The term "Company" means SA;
- The term "employee" means the co-employees of SA

B. History of SA

SA is a trusted partner providing management consulting services to the Federal Government including the Department of Defense and the Intelligence community with a reputation of providing thought leadership, expertise and innovation to our clients. Our goal is to provide our clients with premier talent that is dedicated to achieving customer success.

II. Getting Started

A. Emergency Contacts

In the event of an emergency, the Company may need to be able to contact family members or a designated emergency contact. It is important that each employee keep this information up to date including names, telephone numbers, and addresses. Be sure to review and confirm your personal emergency contact information on an annual basis.

B. Employment Categories

Since all employees are hired for an unspecified duration, these categories do not guarantee employment for any specific length of time. Regardless of the category in which an employee falls, they are always an employee-at-will as stated in this handbook. For purposes of salary administration and eligibility for overtime payments and employment benefits, the company classifies its employees as follows:

Full-Time Regular Employees

Employees hired to work a normal, full-time, 30 hours or more workweek on a regular basis. Such employees may be "exempt" or "non-exempt" as defined below.

Part-Time Regular Employees

Employees hired to work fewer than a 30-hour workweek on a regular basis. Such employees may be "exempt" or "nonexempt" as defined below.

Non-Exempt Employees

Employees who are, among other things, required to be paid overtime under state and/or federal law

Exempt Employees

Employees who are not required to be paid overtime, in accordance with the Fair Labor Standards Act (also referred to as FLSA) or state law. Executives, professional employees, outside sales representatives, certain computer programmers, and employees in administrative positions are typically exempt.

Upon request, you will be informed of your initial employment classification and of your status as an exempt or non-exempt employee in your offer letter. If you change positions during your employment because of promotion, transfer, or otherwise, you will be informed by your supervisor of any change in your exemption status. Please direct any questions regarding your

employment classification or exempt status to your supervisor or SA's HR department.

C. Notice to our Employees

This is a multi-state handbook. Please note that some policies found within the handbook are written to comply with federal law guidelines. In the case where state laws differ from federal laws, the more favorable law for employees will take precedence. For state-specific policies, please refer to the appropriate policy where noted.

This handbook supersedes all previous handbooks, in addition to management memos that may have been issued on subjects covered herein.

D. Change in Policy

Since our business is constantly changing, we expressly reserve the right to change any of our policies, including those covered in this handbook, at any time and with or without prior notice. We will notify you of these changes by appropriate means. Changes will be effective on dates determined by the Company and you may not rely on policies that have been superseded. No supervisor or manager has any authority to alter the foregoing.

If you are uncertain about any policy or procedure, please check with your supervisor or SA HR.

III. General Employment Information

A. Employment At-Will

Each employee of the Company is an at-will employee. This means that you may leave your employment at any time, with or without cause, and with or without prior notice, although the Company does request adequate advance notice when possible. Likewise, you may be discharged with or without cause, and with or without prior notice at any time but the Company will try to provide advance notice when possible.

Further, no representative of the Company, other than the Company owners, has the authority to enter into an agreement of employment for any specified period of time or to make any agreement contrary to the foregoing and any agreement with a Company owner must be in writing, signed, and dated to be

binding.

This lack of guarantee and lack of employment contract also applies to other benefits, working conditions, and privileges of employment with the Company.

B. Equal Employment Opportunity

The Company provides equal employment opportunities to all employees and applicants for employment without regard to race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, protected medical condition, genetic information, disability or any other protected status in accordance with all applicable federal, state and local laws. In addition, 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, but not limited to, hiring, placement, promotion, termination of employment, layoff, recall, transfer, leaves of absence, compensation, and training.

The company expressly prohibits any form of unlawful employee harassment based on race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, protected medical condition, genetic information, disability or any other protected status in accordance with all applicable federal, state and local laws. Improper interference with the ability of the Company's employees to perform their expected job duties is not tolerated.

C. Americans with Disabilities Act (ADA)

Employers who have 15 or more employees for each working day in each of the 20 or more calendar weeks in the current or preceding calendar year must comply with the Americans with Disability Act (also referred to as ADA). The ADA prohibits covered employers from discriminating against a "qualified individual with a disability in any term, condition or privilege of employment."

A qualified employee with a disability is encouraged to request an accommodation, if needed, to perform the job tasks more effectively. Make your request to your supervisor who will then meet with you to discuss your disability in relation to the duties of your job.

The term "qualified individual" means an individual who, with or without reasonable accommodation, can perform the essential functions of the

employment position that such individual holds or desires.

For additional information on ADA, visit the EEOC website at:
<http://www.eeoc.gov/laws/statutes/ada.cfm>.

D. Immigration and Employment Eligibility

In compliance with the Immigration Reform and Control Act of 1986, the Company will hire only those individuals who are authorized to work in the United States. All individuals will be required to submit documentary proof of their identity and employment authorization. Employees will also be required to complete, and sign under oath, Department of Homeland Security Form 1-9 (also referred to as Form 1-9). Form 1-9 requires you to attest that you are authorized to work in the job for which you are hired and that the documents you submit are genuine.

If you are authorized to work in this country for a limited period of time, before the expiration of that period you will be required to submit proof of your employment authorization and sign another Form 1-9 in order to remain employed by the Company.

E. Workers' Compensation

SA provides workers' compensation benefits to employees for job related injury or illness. This insurance provides for medical care and temporary disability, and benefits for permanent disability.

Creating a safe place to work, free of accidents, is everyone's concern. If you become injured or ill on the job, you are to report it immediately to your supervisor or SA's HR department if your supervisor is unavailable. Your supervisor will complete an "Employer First Report of Injury" which must be submitted within twenty-four (24) hours following the accident or illness. Medical care will be provided as required by workers' compensation statutes. If you fail to report an accident that develops into a "lost time accident" at a later date, you may have difficulty in obtaining workers' compensation benefits. No matter how insignificant an injury may seem at the time of occurrence, you should notify your supervisor immediately.

Workers' compensation insurance does not cover the payment of workers' compensation benefits for any injury that arises out of your voluntary participation in any off duty recreational, social, or athletic activity that is not a part of your work related duties.

F. Unemployment Insurance

You are covered by state and federal unemployment insurance. The contribution to this benefit requires no payroll deduction on your part. You are entitled to this plan if you become unemployed through no fault of your own.

G. Social Security

You are covered under the provisions of the Federal Insurance Contribution Act (also referred to as FICA). Social Security benefits are often a significant influence for you and your family in preparing for the future. The amount of deduction from your wages is matched by the firm and credited toward your Social Security benefits. If you need assistance, contact your local Social Security office for further details.

H. Performance Reviews

The Company will perform annual assessments on your effectiveness in performing your work. These reviews are used to provide you with an opportunity to talk about the job and your personal goals. Performance reviews do not necessarily result in merit increases.

An evaluation of each employee will be performed on an annual basis. The evaluation will be conducted by your immediate supervisor and will be reviewed with you. Any areas of specific achievement or need for improvement will be noted and discussed with you thoroughly. Where improvement is needed, you will receive specific instructions as to the problem, methods of improvement, and a time frame during which you will be expected to correct the problem.

I. Advancement and Promotion

The Company prefers to promote employees from within the current workforce whenever a vacancy arises. Once an opening is established, you may be advanced to a higher job classification provided you are qualified for such advancement.

In making advancement to better jobs and in filling newly created jobs, the skill, ability, cooperation and initiative of the individual will receive major consideration. The final decision on applicants will be based upon the overall qualification of the applicant and the recommendation of the applicant's immediate supervisor.

In certain situations, an opening will occur that requires specialized talent that does not presently exist among the employees. In such cases, it will be to the advantage of all concerned for the Company to utilize someone from outside the present work force.

J. Layoffs Due to lack of Work

The Company attempts to maintain a stable work force. However, business conditions sometimes change to a point that there is not enough work to keep all employees on the payroll. Should such a situation occur, the work force might be reduced by laying off the number of employees over and above those needed to perform the work available.

Layoffs will be determined by the ability of the affected employees to adequately perform the available work with a minimum amount of retraining. Length of service and attendance or tardiness records will be considered where relative ability is equal.

K. Resignation

If you find it necessary to resign, you are requested to give advance notice in writing to your supervisor indicating the last day you will be working. A two-week notice is appreciated. Resigning without notice will affect future re-hire decisions, if any. Final paychecks for employees who quit without notice are mailed to the most recent address on file with the HR department.

L. Exit Interviews

Management may conduct an exit interview to discuss your reasons for leaving and any other impressions that you may have about SA. During the exit interview, you can provide insights into areas for improvement for SA and your specific position.

The exit interview is designed to elicit what employees liked and disliked about working for SA and to gather suggestions for how SA can improve policies and practices. The questionnaire is completely voluntary and may be written or verbal. During the interview, employees are asked about their work experiences and are encouraged to provide feedback; employees are not required to provide responses to any of the questions asked.

While SA does aggregate data from the questionnaire for internal use, individual employee responses to exit interview questions and the questionnaire are kept confidential. SA does not retaliate or otherwise discriminate against employees for information that is shared during exit interviews nor will that information be used against you if SA is called for a recommendation in the future.

IV. Workplace Conduct

A. Appearance

You create the image many people will have about the company or business where you work. Check your appearance before reporting to work. You should utilize good judgment in determining your dress and appearance. A well-groomed appearance and good body hygiene are important and gives confidence to your overall effectiveness.

Your supervisor may establish specific guidelines for your appearance and dress code policy. Safety and protective clothing may also be a consideration in some divisions.

B. Courtesy

Courtesy and your attitude toward the people you come in contact with will influence the image people have of the company where you work, either positively or negatively. Develop an attitude of helpfulness toward your customers, fellow workers, and supervisors. Courtesy is the key to good human relations.

C. Guidelines for Appropriate Conduct

As an integral member of the SA team, you are expected to accept certain responsibilities, adhere to acceptable business principles in matters of conduct, and exhibit a high degree of integrity at all times. This not only involves sincere respect for the rights and feelings of others, but also demands that you refrain from any behavior that might be harmful to you, your coworkers, or the Company, or that might be viewed unfavorably by current or potential customers or by the public at large.

Your conduct is a reflection of the Company. You are consequently encouraged

to observe the highest standards of professionalism at all times.

Types of behavior and conduct that SA considers inappropriate include but are not limited to the following:

- Falsifying employment or other Company or client company records;
- Violating the Company's nondiscrimination and/or sexual harassment policy;
- Violating state, federal or local laws and regulations;
- Soliciting or accepting gratuities from customers or clients;
- Excessive absenteeism or tardiness;
- Excessive, unnecessary, or unauthorized use of Company or client company property and supplies, particularly for personal purposes;
- Reporting to work under the influence of drugs or alcohol, and the illegal manufacture, possession, use, sale, distribution or transportation of drugs;
- Bringing or using alcoholic beverages on the Company and/or client property or using alcoholic beverages while engaged in Company and/or client business off the Company or client companies' premises, except where authorized;
- Fighting or using obscene, abusive, or threatening language or gestures;
- Theft of property from coworkers, customers, or SA and/or the client;
- Unauthorized possession of firearms on the Company and/or client company premises or while on Company and/or client company business;
- Disregarding safety or security regulations; tampering with the Company's equipment or safety equipment;
- Insubordination;
- Giving confidential or proprietary Company information to competitors or other organizations, or to unauthorized Company employees; working for a competing business while an employee of the Company; breaching confidentiality of personnel information;
- Spreading malicious gossip and/or rumors; engaging in behavior which creates discord and lack of harmony; interfering with another employee on the job; restricting work output or encouraging others to do the same;
- Sleeping or loitering during working hours;
- Soliciting during working hours and/or in work areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on Company and/or client premises;

- Posting, removing or altering notices on any bulletin board on Company and/or client premises without the permission of an officer of the Company; and
- Smoking in restricted areas or at non-designated times, in accordance with Company policy.

Should your performance, work habits, overall attitude, conduct, or demeanor become unsatisfactory based on violations of the above or of any other Company policies, rules, or regulations, you will be subject to disciplinary action, up to and including termination of employment.

D. Absenteeism and Tardiness

Absenteeism and tardiness represent a serious loss to you and your company. If you are absent, even for good reasons, others must do your part, and work scheduling becomes difficult and imposes a hardship on your coworkers. It is important that you be at work at your appointed time every day you are scheduled.

If you are absent due to an illness, procedure, surgery, etc. for more than three (3) consecutive workdays, a statement from a physician may be required before you will be permitted to return to work. If required, a copy of your physician note must be sent to your immediate supervisor as well as SA's HR department before you actually return to work. In addition, if you have a pattern of excessive absenteeism your supervisor may request a statement from your physician.

While employees are provided varying starting times, all employees must notify their site supervisor and send an email to hr@strategic-analytix.com for late arrival and unapproved absences within 30 minutes of their normal start time. If you are unable to contact SA please make sure your emergency point of contact knows where you are so SA can get information from them.

If you fail to report to work for three consecutive scheduled working days without proper notification, your supervisor may consider you to have "abandoned" your job and you will be considered a voluntary resignation.

Excessive absenteeism and/or tardiness may result in disciplinary action up to and including termination of employment.

E. Ethics Code of Conduct

SA's Code of Conduct outlines expected behaviors for all SA employees. SA will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations. In conducting its business, integrity must underlie all company relationships, including those with customers, suppliers, communities and among fellow employees.

The highest standards of ethical business conduct are required of SA employees in the performance of their company responsibilities. Employees will not engage in conduct or activity that may raise questions as to the company's honesty, impartiality, reputation or otherwise cause embarrassment to the company.

Employees will ensure that:

- Do not engage in any activity that might create a conflict of interest for the company or for themselves individually;
- Do not take advantage of their SA position to seek personal gain through the inappropriate use of SA or non-public information or abuse of their position;
- Will follow all restrictions on use and disclosure of information. This includes following all requirements for protecting SA information and ensuring that non-SA proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law;
- Observe that fair dealing is the foundation for all our transactions and interactions;
- Will protect all company, customer, and supplier assets and use them only for appropriate company approved activities;
- Without exception, they will comply with all applicable laws, rules, and regulations; and
- Will promptly report any illegal or unethical conduct to management or other appropriate authorities (i.e., HR, Law, Security, EEO).

Every employee has the responsibility to ask questions, seek guidance and report suspected violations of this Code of Conduct. Retaliation against employees who come forward to raise genuine concerns will not be tolerated.

F. Ethics Policy and Awareness Program

Company Commitment

SA is committed to fostering an environment where integrity is valued and is the foundation for all decisions. The Company will maintain a culture that encourages open and honest communication where employees appreciate and understand the importance of complying with policies and procedures and

demonstrating ethical behavior in all that we do.

Requirements

Employees of SA are expected to know and comply with SA policies and procedures. The Ethics program is in place to foster a culture where only legal, proper and ethical behavior will take place. The highest standards of ethical business conduct and compliance are required of SA employees in performance of their company responsibilities.

- Employees are encouraged to address questions or concerns with management. Employees may also direct questions or concerns regarding SA code of conduct to SA's HR department.
- Retaliation against employees who raise genuine concerns will not be tolerated. Retaliation against any employee is cause for appropriate corrective action, up to and including termination.
- Violations of SA code of conduct is cause for appropriate corrective action.
- Ethics Education Programs:
 - Companywide ethics education programs are designed to ensure that all employees have an awareness of the code of conduct and the ramifications of unethical behavior.
 - Newly hired employees receive an ethics orientation.
- Ethics Process:
 - Reported allegations are reviewed and investigated in a timely manner. Appropriate management is advised of investigation findings and recommended corrective actions.
 - All information relative to investigations is maintained for a period of at least three years.
 - When appropriate, investigation results and corrective actions are communicated to employees who report concerns.
 - Measures are taken to maintain confidentiality and protect anonymity.
- Corrective Action:
 - Appropriate corrective action will be imposed for conduct deemed to be a violation of SA code of conduct.

Responsibilities

- Employees:
 - Are each responsible for the company's commitment to integrity;
 - Comply with SA's Code of Conduct;
 - Ensure prompt reporting of any illegal or unethical conduct and
 - Request a conflict of interest determination for any activity or personal interest that might interfere with the employee's

objectivity in performing company duties and responsibilities

- Managers:
 - Promote SA's values and Code of Conduct, and comply with the companywide standards of conduct required of all employees including knowledge of the resources available to assist them and their employees in resolving questions or concerns;
 - Create a work environment that encourages open communication and disclosure regarding ethics, business conduct, and legal issues and concerns; and
 - Take appropriate and timely corrective action for conduct in violation of this procedure in consultation with SA.

- Presidents, Vice Presidents, CEOs and HR:
 - Have overall responsibility for compliance with the Code of Conduct and applicable laws;
 - Ensure that all employees at every site participate in annual ethics awareness training as well as receive their training at NEO;
 - Establish the expectation that appropriate corrective action is taken when there have been violations of the company's Code of Conduct;
 - Issue procedures and establish companywide processes to assist employees in obtaining guidance, resolving questions, expressing concerns, and reporting suspected violations of the code of conduct and the law;
 - Establish companywide criteria for ethics education and awareness programs;
 - Coordinate initiatives that foster a culture of open and honest communication;
 - Provide advice to employee questions about ethical conduct and compliance;
 - Provide confidential assistance to callers reporting suspected misconduct, collect information, assign matters for investigation and recommend corrective action when appropriate; and
 - Is responsible for ensuring that appropriate policies and procedures exist to help employees comply with SA expectations of ethical business conduct.

G. Ethics Reporting Hotline

Employees who have questions about this Ethics program should contact their immediate supervisors and/or HR. SA's open door policy gives employees the

freedom to approach any member of management with ethical questions or concerns without fear of retaliation. All employee communications made in good faith will be treated promptly and professionally and without the risk of retaliation or retribution.

H. Drug-Free Workplace Statement

SA complies with the Drug-Free Workplace Act concerning drugs in the workplace. The Drug-Free Workplace Act includes, but is not limited to, the below guidelines.

- Employees are expected and required to report to work on time and in appropriate mental and physical condition for work. It is our intent and obligation to provide a drug-free, healthful, and safe work environment.

The unlawful manufacture, distribution, possession or use of a controlled substance on the Company's premises or while conducting the Company's business off its premises is absolutely prohibited. Violations of this policy will result in disciplinary action, up to and including termination of employment, and may have legal consequences.

- Employees must report any conviction under a criminal drug statute for violations occurring on or off the Company's premises while conducting company business. A report of a conviction must be made within seven (7) calendar days after the conviction.
- The Company recognizes drug dependency as an illness and a major health problem. The Company also recognizes drug abuse as a potential health, safety and security problem. Employees needing help in dealing with such problems are encouraged to use our employee assistance program (also referred to as EAP) and health insurance programs. (Further information about these programs are available from your HR department.) Conscientious efforts to seek such help will not jeopardize any employee's job and will not be noted in any personnel record.
- The Company may require that an employee submit to drug and/or alcohol testing where permitted by law, including, but not limited to, where there is a reasonable suspicion that an employee has violated the Drug Free Work Place policy and on a random or periodic basis in cases where employees work in safety sensitive positions.

I. Violence in the Workplace

It is the intent of the Company to provide a safe workplace for employees and to provide a comfortable and secure atmosphere for customers and others

with whom we do business. The Company has zero tolerance for violent acts or threats of violence.

The Company expects all employees to conduct themselves in a non-threatening, non-abusive manner at all times. No direct, conditional or veiled threat of harm to any employee or Company property will be considered acceptable behavior. Acts of violence or intimidation of others will not be tolerated. Any employee who commits or threatens to commit a violent act against any person while on Company premises may be subject to immediate termination of employment. If an employee, while engaged in Company business off the premises, commits or threatens to commit a violent act, that employee may be subject to immediate termination of employment.

Employees within the Company share the responsibility in identifying and alleviating threatening or violent behaviors. Any employee who is subjected to or threatened with violence, or who is aware of another individual who has been subjected to or threatened with violence, should immediately report this information to his or her supervisor or a member of management. Employees must assume that any threat is serious. If you as an individual feel threatened and need protection, do not hesitate to report the situation to a supervisor. Any threat reported to a supervisor will be brought to the attention of management. The Company will carefully investigate all reports, and employee confidentiality will be maintained to the fullest extent possible.

The Company's prohibition against threats and acts of violence applies to all persons involved in the Company's operation, including, but not limited to, personnel, contract and temporary workers, and anyone else on Company premises. Violations of this policy by any individual on Company premises will lead to disciplinary action, up to and including termination of employment and/or legal action as appropriate.

J. Weapons

It is the intent of the Company to provide a safe and secure workplace for employees, clients, customers of clients, visitors and others with whom we do business. The Company has "zero tolerance" for, and expressly forbids the possession of, while on Company premises, any type of weapon, firearm, explosive and/or ammunition. For purposes of this policy, Company premises includes, but is not limited to, all Company facilities, Company-provided parking areas and vehicles and equipment that are either leased or owned by the Company or a Company client. In addition, the Company strictly prohibits the carrying or possession of any weapon in a parking facility or parking area, including in employee-owned vehicles parked on Company or a Company client

premises.

The possession of firearms or other weapons on Company premises may be cause for discipline, including, but not limited to, immediate termination of employment. In enforcing this policy, the Company reserves the right to request inspections of any employee and their personal effects while on Company premises, to the extent allowable under applicable law. Any employee who refuses to allow such an inspection will be subject to the same disciplinary action as having been found in possession of firearms or other weapons.

Employees within the Company share the responsibility of identifying violators of this policy. An employee who either witnesses or suspects another individual of violating this policy should immediately report this information to their onsite supervisor.

K. Safety and Accident Prevention

Safety is a vital concern of the Company. The ultimate responsibility for safety lies with you. We need your help in promoting safety and the prevention of accidents by observing the following rules.

Responsibilities of the Employee:

- Obeys the safety rules;
- Follows safe job procedure, never takes short cuts;
- Keeps work area clean and free from slipping or tripping hazards; " uses prescribed personal protective equipment;" reports all malfunctions of equipment immediately to supervisor; lifts and carries with care;
- Observes restricted areas and all warning signs;
- Knows emergency procedures;
- Reports unsafe conditions to his or her supervisor;
- Promptly reports every accident and incident to his or her supervisor;
- Follows the care prescribed by the attending physician when treated for an injury or illness;
- Attends all employee safety meetings; and
- Participates in accident investigations, serves on the safety committee as needed.

Failure to observe these guidelines may result in disciplinary action, up to and including termination of employment.

L. Smoking

In order to maintain a safe and comfortable working environment and to ensure compliance with applicable laws, smoking in Company offices and facilities is strictly regulated. You should familiarize yourself with those areas throughout the premises where smoking is either permitted or prohibited. Because the Company may be subject to criminal and civil penalties for violations of applicable smoking laws, we must insist on strict adherence to this policy. Employees smoking in any non-smoking area may be subject to disciplinary action, up to and including termination of employment. Please contact SA's HR department if you have any questions regarding the smoking policy. Complaints regarding violations of this policy may be filed under the Company's complaint resolution procedure, which is described in the following section.

M. Unlawful Harassment and Unlawful Discrimination

SA is committed to providing a work environment free of unlawful discrimination and unlawful harassment based on race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital status, pregnancy, age, protected medical condition(s), genetic information, disability or any other category protected by applicable state or federal law. Our Company's environment encourages mutual respect, promotes respectful and congenial relations between co-workers, including all levels of management, vendors and customers. Unlawful harassment is strictly prohibited under Title VII of the Civil Rights Act of 1964. The company will not tolerate such conduct. In keeping with this commitment, the Company will vigorously enforce its policy against unlawful harassment and unlawful discrimination.

All reported or suspected occurrences of unlawful harassment will be promptly and thoroughly investigated. Where harassment is determined to have occurred, the Company will immediately take appropriate disciplinary action, including written warnings and possible suspension, transfer and/or termination of employment.

The Company will not permit or condone any acts of retaliation against anyone who files harassment complaints or cooperates in the investigation.

- The term "harassment" includes, but is not limited to, unwelcome slurs, jokes, verbal, graphic or physical contact relating to an individual's race, religion, color, sex, gender identity, sexual orientation, national origin, ancestry, citizenship status, uniform service member status, marital

status, pregnancy, age, protected medical condition, genetic information, disability or any other category protected by applicable state or federal law.

- Sexual harassment consists of unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of sexual nature where:
 - o submission to such conduct is made either explicitly or implicitly a term or condition of employment;
 - o submission to or rejection of such conduct is used as the basis for decisions affecting an individual's employment; or
 - o such conduct has the purpose or effect of creating an intimidating, hostile, or offensive working environment.
- The term "harassment" may also include conduct of employees, supervisors, vendors and/or customers who engage in verbally or physically harassing behavior which has the potential for humiliating or embarrassing an employee of the Company.

Complaint Procedure

The Company provides its employees with a convenient and reliable method for reporting incidents of harassment, including sexual harassment.

Any employee who feels that they have been or are being harassed, or discriminated against, is encouraged to immediately report the unwelcome conduct to their immediate supervisor, manager, owner of the Company, or if necessary, for resolution, to the SA HR department. The report should include all facts available to the employee regarding the harassment. To contact SA's HR department, send an email to hr@strategic-analytix.com. Employees are directed to immediately contact SA in any instance in which they feel that a complaint has not been adequately addressed by their supervisor or anyone else to whom they have complained regarding harassment.

Your notification of the problem is essential to us. It is your responsibility to bring your concerns and/or problems to our attention so that we can take whatever steps are necessary to address the situation. The Company takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

Confidentiality

All complaints of unlawful harassment which are reported to management will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Investigation Procedure

Once a complaint is received, SA will begin a prompt and thorough investigation. The investigation may include interviews with all involved employees, including the alleged harasser, and any employees who are aware of facts or incidents alleged to have occurred.

Once the investigation is completed, a determination will be made regarding the validity of the harassment allegations. If it is determined that harassment has occurred, prompt remedial action will be taken. These may include some or all of the following steps:

1. Restore any lost terms, conditions of benefits of employment to the complaining employee.
2. Discipline the harasser. This discipline can include written disciplinary warnings, transfer, demotion, suspension, and termination of employment.

If the harasser is from a vendor or customer, SA will take appropriate action to stop the complained of conduct.

Duties of Employees and Supervisors

All employees of the Company, both management and non-management, are responsible for assuring that a workplace free of unlawful harassment is maintained. Any employee may file a harassment complaint regarding incidents experienced personally or incidents observed in the workplace. The Company strives to maintain a lawful, pleasant work environment where all employees are able to effectively perform their work without interference of any type and requests the assistance of all employees in this effort.

All Company supervisors and managers are expected to adhere to the Company's anti-harassment policy. Supervisors' evaluations may include an assessment of the supervisor's efforts in following and enforcing this policy.

All managers and supervisors are responsible for doing all they can to prevent and discourage unlawful harassment from occurring. If a complaint is raised, supervisors and managers are to act promptly to notify SA's HR department of the complaint so that HR may proceed with an investigation. If a supervisor or manager fails to follow this policy, he or she will be disciplined. Such discipline may include termination of employment.

N. Policy Against Retaliation

SA is committed to prohibiting retaliation against those who report, oppose, or participate in an investigation of alleged wrongdoing in the workplace. By way of example only, participating in an investigation of alleged wrongdoing in the workplace, includes, but is not limited to:

- Filing a complaint with a federal or state enforcement or administrative agency;
- Participating in or cooperating with a federal or state enforcement agency that is conducting an investigation of the Company regarding alleged unlawful activity;
- Testifying as a party, witness, or accused regarding alleged unlawful activity;
- Associating with another employee who is engaged in any of these activities;
- Making or filing an internal complaint with the Company regarding alleged unlawful activity; an alleged unlawful activity.

SA strictly prohibits any adverse action/retaliation against an employee for participating in an investigation of any alleged wrongdoing in the workplace. If you feel that you are being retaliated against you should immediately contact your immediate supervisor, manager, one of the owners of the Company, or if necessary, SA's HR department. The report should include all facts available to the employee regarding the alleged harassment. To contact SA, send an email to hr@strategic-analytix.com.

In addition, if you observe retaliation by another employee, supervisor, manager or non-employee, please report the incident immediately to your supervisor, manager, one of the owners of the Company, or if necessary, SA's HR department. The report should include all facts available to the employee regarding the alleged harassment. To contact SA, send an email to hr@strategic-analytix.com.

Any employee determined to be responsible for violating this policy will be subject to appropriate disciplinary action, up to and including termination of employment. Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination of employment.

Disciplinary Guidelines

Before or during imposition of any discipline, employees will be given an

opportunity to relate their version of the incident provide any explanation or justification they consider relevant. Where appropriate, a policy of progressive employee discipline will be followed by supervisors.

Major elements of this policy include:

Oral Reprimand

The first step in SA's progressive disciplinary policy is the "oral reprimand." This is an oral warning to an employee that his or her conduct is unacceptable, and that repeated or continued failure to conform his or her conduct or performance to the Company standards will result in more severe disciplinary action. In a circumstance involving performance deficiencies, the employee will be counseled by his or her supervisor and told what improvements are necessary and expected before the employee is subject to an oral reprimand. A record of the notice of the oral reprimand will be made and retained in the employee's personnel file.

Written Reprimand

The second step is a "written reprimand." This reprimand will describe the unacceptable conduct or performance of the employee and specify the changes or improvements that are needed. A copy of the written reprimand will be retained in the employee's personnel file.

Probation

Probation is intended as a final warning notice to an employee that if immediate corrective action is not taken, the employee will be terminated. This action is documented. Management may place an employee on probation in instances where he or she has failed to correct unacceptable performance/behavior or where the nature of an individual infraction is of such a serious nature as to warrant immediate probationary status. An employee will normally be placed on probationary status for between 30 and 90 calendar days. An employee placed on probation will be given a memorandum from his or her immediate supervisor specifying the terms and conditions for continued employment. Approvals for this memo follow the procedure for written warnings outlined above.

Termination of Employment

The final step in the disciplinary procedure is the termination of the employee. If an employee fails to conform his or her conduct or performance to the standards required by SA, SA may, at its sole discretion, terminate the employee's employment.

Notwithstanding the foregoing progressive disciplinary procedure policy, the Company reserves the right to administer discipline in such a manner as it

deems appropriate to the circumstances, and may, at its sole discretion, eliminate any or all the steps in the procedure.

Addressing Grievances

SA is available to help you resolve workplace problems. If you have a work-related problem, it should first be discussed with your supervisor, and then with HR so that it can be resolved quickly.

Your supervisor will strive to provide a written response to any grievance within seven (7) calendar days, although complex situations may require more time.

V. Organizational Guidelines

A. Personal Business

SA allows time off for the handling of personal affairs. If you need to leave your workstation for an extended period of time to conduct personal business, you must first obtain permission from your immediate supervisor. This will allow him to make modifications to the work schedule if necessary and will keep him aware of your activities during the day. You will not be paid for time utilized for personal business.

B. Phone Calls, Instant Messaging (IM), Personal Mail and Visitors

Business phones are intended for company business. Local personal calls are to be kept to emergencies only. Friends and relatives should be discouraged from calling during working hours unless there is an emergency. Under no circumstance should you make or charge a long-distance call unless it is work related and approved by your supervisor.

Good telephone etiquette is important when dealing with the public. Identify yourself and the office where you work in a pleasant and helpful voice. (For example, when answering an unsecure phone call, you should do so by saying the last four (4) of digits of your phone number and indicate you are a contractor, i.e. "1234 Contractor.") Be courteous and confine the conversations to the subject at hand. The first representation that many people have with an office or business is through the telephone. You are encouraged to cultivate a pleasant voice and cheerful manner.

Instant messaging (IM, text-based chat, etc.), if allowed at all within your worksite, is intended for company business only is preferred to be completed after work hours or off government property. Incidental, non-business related instant messages should be kept to a minimum. Personal instant messaging (as well as personal phone calls) can be a big distraction if abused and we expect all employees to exercise professionalism in performing their job and to not allow these conveniences to negatively impact workplace productivity.

Do not use company stationary, stamps, postage meters or other company supplies for personal mail. Have all of your personal correspondence sent to your home, unless you have permission from your supervisor to have it sent elsewhere.

Personal visits by visitors (individuals not employed by SA or SA's clients) to your work area may also be restricted by your supervisor.

C. Cell Phones

Cell phone ringers, if allowed at your workplace, should remain in the "off" position or on "vibrate" while conducting company business. Personal phone calls (whether using company phones, personal cell phones, etc.) are to be kept to a minimum.

SA strictly prohibits the use of cell phones while driving at any time. Please note that as of 01 January 2012 it is illegal to use cell phones while driving unless it is hands free. This applies to all of our places of business, to include, but not limited to, Arizona, Maryland, Virginia, and Washington, DC. SA will not accept liability for any accident, injury, or other incident as a result of violation of this policy.

There are no exceptions to this policy.

D. Company Property

All records, case files, data resource materials, supplies or equipment made by an employee within the scope of his or her employment with SA shall be and remain the sole and exclusive property of SA, and may not be removed without the permission of one of the owners of the Company. SA reserves the right, on reasonable suspicion that company policy is being violated, to conduct searches or inspections of employees and their desks, personal effects, lockers, lunch boxes, purses, baggage, and any other property located on Company premises

or work-sites, their private vehicles, if parked on Company premises or contractor sites.

E. Company Equipment on Loan

You are responsible for the safekeeping of all company equipment that is issued to you during your employment. Examples include, but are not limited to, cell phones, pagers, laptops, keys and key cards. When your employment terminates, voluntarily or involuntarily, you must return all company equipment loaned to you. You should be prepared to turn in any company property during your exit interview unless the owners of the Company tell you otherwise. The company reserves the right to withhold the cost of the items from your final paycheck until such items are returned, subject to applicable state and/or federal law.

F. Care of Equipment

Any damage or failure of Company-issued equipment is to be reported to your supervisor immediately. Equipment or supplies are not to be removed from your work premises without proper authorization. SA is not responsible for loss or damage to your personal property. Valuable personal items, such as purses and wallets, should not be left in areas where theft might occur.

G. Travel and Expense

SA, as a federal government contractor, uses the Joint Travel Regulations (also referred to as JTR) to calculate allowable and unallowable charges. All business travel must be approved by both the federal government contractor and by SA in advance. While SA is reimbursed based on JTR rates, the company reimburses employees for actual expenses (other than those outside of SA policy).

All employee expenses incurred while on out of town travel must be reported on the Travel and Expense Report Form on a per event basis. If you need a copy of the Travel and Expense Report Form, please contact SA's HR department.

All expenses shall be corroborated by receipts. Meals, parking, tips, taxi fares, etc. under \$15.00 do not require receipts; however, you are encouraged to provide receipts whenever possible. In the event a receipt is lost, or it is not reasonably convenient to obtain a receipt where required, a short statement of explanation must be included on the Travel and Expense Report Form.

Before traveling or arranging travel, check the JTR per diem rate for where you will travel. The current per diem rates may be found at: <http://www.defensetravel.dod.mil/>.

Gratuities

It is recognized that gratuities that are business courtesies, such as entertainment, meals, alcoholic beverages, gifts, transportation, lodging, or similar items of nominal value are occasionally appropriate in the ordinary course of commercial business. However, such business courtesies must always be consistent with generally accepted ethical business practices and cannot be offered or given where prohibited by laws, regulations or internal governmental policies. If you are unsure of any laws or regulations, please contact SA's HR department prior to performing that courtesy. If you are unsure and you have not received an answer from SA's HR department, please refrain from performing that courtesy.

To this end, no gratuities may be offered to, or accepted from, any person or organization in violation of any law or regulation, or under circumstances that might create the appearance of impropriety or causes embarrassment to SA or the recipient. The offering of gratuities to and acceptance of gratuities from employees or officers of the U.S. Federal **Government is expressly prohibited.**

Employees may not accept or retain gratuities offered to them or to their immediate family if doing so: 1) is illegal; 2) would cause the appearance of favoritism in the allocation of corporate business; or 3) would adversely affect the reputation of the company or of its employees for impartiality and fair dealing.

Employees who interact with our customers must be familiar with the laws and regulations applicable to the various types (i.e. federal, commercial, state or local government) of customer's regarding the offer and acceptance of gratuities. For additional information please contact SA's HR department.

H. Health Safety Protection

An employee who exhibits inappropriate behavior, which is suggestive of an abusive drug problem affecting job performance, will be subject to test for illegal drugs or substances of abuse. Any employee, whether suspected of substance abuse or not, may be required to undergo substance or abuse or drug testing. Due to the fact that employees work with the federal government, at times the federal government may also require you to undergo drug testing. If you refuse to submit to such testing, you may be immediately disciplined, up to and including termination of employment.

I. Hazardous Chemicals and Your Right to Know

Employees must comply with all occupational safety and health standards and regulations established by the Occupational Safety and Health Act (also referred to as OSHA) of 1970 and regulations which have been added to this act in recent years by both states and federal governments. If you believe that you are being exposed to a known or suspected hazard, when working with toxic chemicals or substances, you have a right to know about such hazards through Material Safety Data Sheets (also referred to as MSDS). Ask your supervisor to review the MSDS with you. New employees who work with or who have contact with hazardous chemicals or substances are to consult with their supervisors in the proper handling of such chemicals in the workplace during orientation and new employee training.

J. Communicable Disease Reporting

The health, safety, and well-being of SA's employees is of the utmost importance to SA. Therefore, all employees are required to report any known or suspected communicable disease that they or persons with whom they have come in direct contact immediately to their supervisor as soon as they become aware of the situation. If their supervisor is unavailable, you are urged to contact SA's HR department with the information. This will enable the Company to take preventative actions, provide education and proper communication to protect fellow employees from being unnecessarily exposed to infectious conditions and the panic associated with this type of knowledge.

The employee should be prepared to provide the following information to their supervisor:

- The nature of the confirmed suspected disease, infection, or condition;
- The approximate onset of illness in you, or the person with whom you came into contact; and
- The location of the outbreak.

SA will make a determination as to whether the employee should be sent home and how communication should be conveyed to other employees. At no time should the employee share this information with anyone except their supervisor (or SA's HR department if their supervisor is unavailable), until such arrangements have been made.

VI. Pay and Hours

A. Hours of Work

Our regular corporate office hours of operation are 8:00am to 5:00pm EST. All full-time employees are expected to work a minimum of eight hours a day, five days a week. The workweek is Sunday - Saturday for purposes of calculating overtime; however, employees with mission critical positions could be asked to work at any time as mission work is 24/7. Employees are allotted up to one hour for lunch each day, which is unpaid, in addition to the eight hours worked. Check with your supervisor to confirm your working hours. Staffing needs and operational demands may necessitate variation in start and finish times, as well as variation in the total hours that may be scheduled each day and week.

In order to allow employees to plan for time off, it will be our practice to notify you of changes to your work schedule as far in advance as possible. It should be recognized that additional overtime and work other than that which is regularly scheduled may be required. Each department manager will assign overtime tasks, and all employees will be expected to perform such work as needed.

Prohibited "Off the Clock" Work

At no time should employees perform work while "off the clock." All time spent working should be properly recorded. If given a directive to perform work "off the clock," please promptly notify your onsite supervisor, or if your onsite supervisor has given a directive to work "off the clock" and/or has told you not to properly record all hours worked, notify SA's HR department immediately. No employee will be penalized in any way for making such a complaint.

B. Timekeeping for Payroll

The timesheet is used for payroll records, which must be maintained accurately at all times. Each employee is expected to maintain a daily SA timesheet, per Defense Contract Audit Agency (also referred to as DCM) Regulation. In addition, some employees may be required to maintain a contract specific timesheet which also must be maintained on a daily basis. Any discrepancies between the two documents should be resolved by hr@strategic-analytix.com within 1 week after the submission of the monthly timesheet.

If you cannot be at work due to an excusable circumstance, or if you will be late arriving to work, notify your supervisor, in advance if possible. In the event of a disabling sickness or accident while performing your duties, notify your supervisor immediately. If at any time you cannot reach your supervisor please

send an email to hr@strategic-analytix.com. If you are unable to contact SA, please make sure your emergency point of contact knows where you are so SA can get information from them.

C. Overtime Pay

You may be asked to work overtime at the request and authorization of your supervisor. Employees who are exempt under both the FLSA and applicable state law are not entitled to overtime pay. Only non-exempt employees qualify for overtime pay. Overtime pay is based on hours actually worked per workweek in accordance with state and federal requirements. Employees shall record all time on timesheets. Time is rounded to the nearest tenth of an hour.

D. Your Salary

The Company has a goal of providing you with a fair and equitable salary for the job you perform. Raising wages depends on job responsibilities, ability to get along with other workers, your performance, and willingness to cooperate and accept supervision, attendance, and other job-related factors.

Payroll Deductions

SA is required by law to recognize certain court orders, liens, and wage assignments. When SA receives a notice of a pending garnishment or wage assignment, HR must forward documentation to SA. SA will then inform the employee of receipt of the garnishment and process appropriate deductions and payments.

SA is required to make proper deductions from your earnings on your behalf. Amounts withheld vary according to how much you earn, your marital status, government employment regulations, among other factors. These mandatory deductions are made until the maximum amount is reached. Mandated withholdings include but are not limited to: federal income tax; state income tax; social security; disability insurance; and garnishments.

Other deductions may be made from your paycheck with your permission, including, but not limited to: Credit Union; dependent health insurance coverage; vision benefits; dental care; and other services requested by the employee.

E. Payday

SA's pay cycle for each employee is on a monthly pay period as indicated on your "Conditions of Employment." Paychecks are provided to you on payday and if permitted by your bank, the Company may also use direct deposit to your account(s) if you so choose. Employees may access their pay stubs via SA Connection. SA does not provide any payroll advances or extend credit to employees. If you lose your paycheck, notify your Payroll Specialist IMMEDIATELY.

F. Administrative Pay Corrections

SA takes all reasonable steps to assure that employees receive the correct amount of pay in each paycheck and that employees are paid promptly on the scheduled payday. If a payday is scheduled for the weekend or a holiday, employees are paid on the workday prior to that weekend or holiday. For example, if a payday is on a Sunday, employees will be paid on the proceeding Friday.

In the unlikely event that there is an error in the amount of pay, you should promptly bring the discrepancy to the attention of your Payroll Specialist at SA or email SA at hr@strategic-analytix.com so that corrections can be made as quickly as possible. Corrections of paychecks will be made as soon as practicable.

VII. Time Away from Work

A. Paid leave

SA's policy for all paid leave is described in greater detail below. In order to be eligible for these benefits, you must qualify as a regular full-time or regular part-time employee.

These benefits are intended to provide eligible employees with a period of rest and relaxation away from work. Accordingly, you are encouraged to schedule vacations and use all paid leave benefits in a calendar year. All requests for paid leave of 1 week or more shall be submitted and approved in documentation to SA. SA will then inform the employee of receipt of the garnishment and process appropriate deductions and payments.

B. Paid Holidays

Paid Holidays offered by SA include:

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

Paid Holidays for full-time (exempt) employees will be recorded at 8 hours in SA's time keeping system. Paid Holidays for part-time, hourly (exempt) employees will be recorded as 5 hours in SA's time keeping system.

C. Paid Time Off

Paid Time Off (also referred to as PTO) for SA includes vacation leave, personal leave, and sick leave. The definition of PTO is any time not worked by an employee for which the regular rate, fixed or prorated amount of pay, is accrued and paid to the employee. SA grants time off to give employees time for rest and relaxation as well time off for personal non-- work related issues. The established PTO accrual period is from January 1st through December 31st of the same year. PTO begins to accrue upon date of hire. As a general rule, new hires accrue twenty (20) days of PTO per year. Employees PTO amount increases by one workday (eight (8) hours) on the anniversary of their start date with a maximum amount of PTO being twenty-five (25) days per calendar year.

Employees who work a partial day per approval of their supervisor, may make up time. If approved, nonexempt status employees must make up time with the workweek (Sunday through Saturday) while exempt status employees must make up time within the pay period. It is the responsibility of the employee to check their PTO balance and confirm with their immediate supervisor that

sufficient leave has been accrued before requesting leave. It is also the responsibility of the employee to ensure their PTO balance is accurate. If an employee needs to take PTO that they have not accrued, approval must be given by a company executive in order for the employee to take leave. These situations will be considered on a case-by-case basis.

In a given calendar year, full-time employees will accrue PTO per monthly pay period according to the following schedule:

Days of PTO earned	20 (minimum)	Each Day	25 (maximum)
Hours Earned Per Full Period	13.33	varies	16.67
Maximum Hours Annual Accrual	160	varies	240
Unused PTO which can be carried over or for which an employee can receive payment upon termination of employment.	160	varies	240
PTO carried over will be forfeited by this date if PTO is greater than allowed unused PTO.	12/31	12/31	12/31

The maximum number of hours that may be carried over from the previous year is 320 hours. Any PTO hours over 320 hours will be forfeited by 12/31 if not used.

If planned PTO has to be cancelled due to the needs of SA or the customer (if applicable), and an employee is unable to reschedule the PTO within the calendar year, SA reserves the option to allow the employee to reschedule that PTO in the next calendar year. It is ultimately up to the owners of the Company to decide whether an employee can carryover the unused time.

If an employee leaves SA he or she will be paid for accrued but unused PTO computed at the rate of pay earned upon separation, provided the employee is not being terminated for misconduct. Employees may not use PTO during their notice period and may not use accrued balances for purposes of calculating the termination of employment date. Termination of employment dates are the last day actually worked unless another agreement is made in writing between the employee and the owners of the Company. PTO may not be used for the purpose of determining the termination date.

Pay for PTO will be paid on the regular pay cycle and does not count as hours worked for purposes of calculating overtime hours.

D. PTO Donation Policy

SA recognizes that employees may have a family emergency or a personal crisis that causes a severe impact to them resulting in a need for additional time off in excess of their available paid time off (PTO). To address this, need all eligible employees will be allowed to donate PTO from their unused balance to their co-workers in need in accordance with the policy outlined below. This policy is strictly voluntary.

a. Eligibility

Employees who donate PTO must be employed with SA for a minimum of six (6) months.

b. Guidelines

Employees who would like to make a request to receive donated PTO from their co-workers must have a situation that meets the following criteria:

- **Family Health Related Emergency** - Critical or catastrophic illness or injury of the employee or an immediate family member that poses a threat to life and/or requires inpatient or hospice health care. Immediate family member is defined as spouse, child, parent or other relationship in which the employee is the legal guardian or sole caretaker.
- **Other Personal Crisis** - A personal crisis of a severe nature that directly impacts the employee. This may include a natural disaster impacting the employee's primary residence such as a fire or severe storm.

Employees who donate PTO from their unused balance must adhere to the following requirements:

- Donation minimum - 4 hours
- Donation maximum - 40 hours or no more than 50% of your current balance

Note: Employees who donate PTO must have sufficient PTO in their balance and will not be permitted to exhaust their balances due to the fact that they may experience their own personal need for time off. Employees cannot borrow against future PTO to donate. As such an employee who wishes to donate leave must maintain a minimum balance of 20 hours.

Employees who receive donated PTO may receive no more than 480 hours (12 weeks) within a rolling 12-month period.

Employees who are currently on an approved leave of absence cannot donate PTO.

PTO Valuation

The value of the amount of the donated PTO is determined by the hourly rate of the person donating leave. Once this amount is determined, it is converted to the hourly rate of the person receiving the PTO donation. For example, if the hourly rate of the leave donor is \$50 per hour and the person donates four hours to an individual whose hourly rate is \$25 per hour, the value of the PTO donation in this example equals eight (8) hours.

Procedure

Employees who would like to make a request to receive donated PTO are required to complete a Donation of PTO Request Form which includes authorization to present their request to the employees of SA for the sole purpose of soliciting donations.

Employees who wish to donate sick/personal time to a co-worker in need must complete a Donation of PTO Form.

All forms should be returned to hr@strategic-analytix.com.

Approval

Requests for donations of PTO must be approved by HR, the employee's immediate Supervisor and a one of the Executives of the Company.

If the recipient employee has an available PTO balance, this time will be used prior to any donated PTO. Donated PTO time may only be used for time off related to the approved request. PTO donated that is in excess of the time off needed will be returned to the donor.

E. Discretionary leave of Absence (LOA)

Circumstances may arise necessitating an employee's prolonged absence from work. A LOA accommodates an employee's extended absence for a period of time more than supported by their PTO balance. If an employee finds that he or she must be out of work for more than three days, he or she should contact his or her immediate supervisor to determine if an LOA may be necessary.

Any regular full-time employee may be granted an LOA without pay when approved by the owners of SA in order to preserve the employee's employment rights and benefits. To be eligible to take an LOA, the employee must have already been employed by SA for at least six (6) months. Only in exceptional situations should a LOA be granted to an employee having less than six (6) months of service and require approval by the owners of SA.

SA allows employees to take an LOA without pay that falls within the following categories:

Personal Leave of Absence (PLOA)

The owners of the Company may grant a PLOA for unique or extraordinary reasons that may not apply to the other types of LOA or to care for a family member who has a serious health condition. For purposes of this policy, a family member is defined as an employee's spouse, children, and parents.

Medical Leave of Absence (MLOA)

This LOA is for employees who have been with the Company six (6) months and are not yet eligible for FMLA. A MLOA enables the owners of the company to accommodate employees' extended absences due to personal illness, maternity, or injury. Medical certification from a physician will be required for personal illness or injury. If an employee requests more time than initially approved by their physician under a maternity leave MLOA, the employee may request to be placed on a PLOA.

a Donation of PTO Request Form which includes authorization to present their request to the employees of SA for the sole purpose of soliciting donations.

Employees who wish to donate sick/personal time to a co-worker in need must complete a Donation of PTO Form.

All forms should be returned to hr@strategic-analytix.com.

Approval

Requests for donations of PTO must be approved by HR, the employee's immediate Supervisor and a one of the Executives of the Company.

If the recipient employee has an available PTO balance, this time will be used prior to any donated PTO. Donated PTO time may only be used for time off related to the approved request. PTO donated that is in excess of the time off needed will be returned to the donor.

a. Family and Medical Leave (FMLA)

FMLA covers employers that meet at least one of the following criteria:

- (a) has 50 or more employees at a worksite; OR
- (b) has 50 or more employees located within 75 miles of the worksite.

According to the FMLA, employers that meet at least one of the above criteria must provide eligible employees with up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period.

Eligible employees must meet each of the following criteria:

- Employed with the company for at least 12 months (which need not be consecutive); and
- Worked at least 1,250 hours during the 12 months' period immediately preceding the commencement of the leave.

During this leave, an eligible employee is entitled to continued group health plan coverage as if the employee had continued to work. At the conclusion of the leave, subject to some exceptions, an employee generally has a right to return to the same or to an equivalent position.

b. Paid Parental Leave (PPL)

SA offers the following paid parental leave to be used for the birth of a child or because of placement of a child for adoption or foster care and used in connection with the fulfillment of a parental role to care for and bond with that child.

- Maternity Leave: Up to 12 weeks (60 days)
- Paternity Leave: Up to 3 weeks (15 days)

Requests for maternity or paternity leave must be made to your immediate supervisor. A completed PPL form must be included with the request and sent to hr@strategic-analytix.com. The PPL request forms language will look similar to the below:

- "By Requesting PPL, I understand that PPL may be used because of the birth of my child or because of placement of a child with me for adoption or foster care and that the PPL may be used in connection with my fulfillment of my parental role to care for and bond with child. I understand that use of PPL requires agreement to fulfill a 12 week/3 week work obligation and requires signed agreement prior to using PPL. By signing this agreement I certify that I will work for Strategic Analytix for at least 12 weeks/3 weeks after PPL

concludes.”

c. Bereavement

If a death occurs in a full-time or part-time employee's family, the employee will be granted administrative PTO based on the following guidelines:

- up to five (5) business days in the event of the death of a spouse, child, parent, sibling, step-parent, step-child or step-sibling.
- up to three (3) business days in the event of the death of a grandparent, mother in law, father in law, sister in law or brother in law.
- up to one (1) business day in the event of the death of a relative not a member of your immediate family as defined above.

Requests for bereavement leave must be made to your immediate supervisor. A completed PTO form must be included with the request and sent to hr@strategic-analytix.com. Please note no more than five (5) business days of bereavement leave will be granted in a calendar year per employee. Exceptions to this policy will be on a case by case basis and a final decision can only be made by one of the owners of the Company.

d. Jury and Witness Duty

Full-time regular employees may be granted up to five (5) business days of administrative PTO per calendar year if requested by the court to serve as a juror or witness. If your job is considered essential, your supervisor reserves the right to request the court to have you excused. If the jury or witness duty extends beyond five (5) business days for an employee or the employee is ineligible for jury and witness duty leave; PTO may be used, or the employee may be placed on an LWOP status. Employees must notify their supervisor as soon as it is known jury or witness duty will be extended. To qualify for jury or witness duty leave, an employee must submit to their supervisor a copy of the summons as soon as it is received. In addition, proof of service must be submitted to the employee's supervisor when the period of jury or witness duty is completed. Employees must also fill out a PTO Request Form and in the comments section indicate the PTO is for jury or witness duty. All documentation must be forwarded to If jury duty crosses over into multiple pay periods, documentation must be submitted at the end of each pay period. Please note if an employee does not submit documentation, PTO may not be approved.

e. Makeup Time

SA may allow employees to make up work time that is or would be lost as a result of personal obligations. The makeup work time can only be performed in the same pay period in which the PTO was taken and will not be paid as overtime. It is important to know your contract regulations (if applicable) to for making up time. For questions regarding contract specific makeup time, please email hr@strategic-analytix.com.

f. Leave Without Pay (LWOP)

LWOP is a temporary non-pay status and a record of absence from duty. Requests to use LWOP must be submitted in writing in advance as soon as the employee believes LWOP will be necessary to hr@strategic-analytix.com and is subject to executive approval. LWOP may only be approved by one of the owners of the Company. The employee requesting LWOP must provide an adequate justification explaining why LWOP is necessary.

Because we offer a generous leave package and allow employees to "make up" time, the use of LWOP is generally not allowed for extended periods of time. LWOP is reserved in instances where an employee may not have time accrued and has a negative PTO balance. Only the owners of the Company reserve the right to approve or disapprove any LWOP time. SA may advance PTO to an employee upon request, subject to approval by their supervisor and one of the owners of the Company. In no case may more than a total of 60 hours of PTO be advanced.

As a reminder, LWOP is a direct loss to the employee and company as a whole. SA does not collect revenue and the individual loses pay so SA requests the employee strive to make up the time.

Exempt employees are not allowed to leave a workweek calendar day blank. If work is not performed, the number zero (0) must be entered in the relevant timesheet systems. Listed below are actual scenarios of events that have taken place that results in SA's approach towards compliance (keeping in mind the employee must receive written approval for LWOP):

- employee elects to make up time later in the pay period - the employee will enter a zero (0) for the particular work day, then make up the hours during the pay period;
- employee elects to make up time later in the pay period but does not

because of unforeseen events - the employee will enter the number of hours missing as LWOP and on the last calendar day enter the number of hours missing for the period of performance as PTO; and

- employee elects to make up time later in the pay period and exceeds the period of performance allotted hours - the employee will (1) request and receive approval to work additional hours in writing from customer, (2) Submit approval/disapproval to supervisor, hr@strategic-analytix.com, and (3) the employee will enter the additional hours on the day the task was performed.

g. Work Conditions

Emergency Office Closing

It is the policy of the Company that offices be open during normal working hours (Monday through Friday 8:00 am - 5:00 pm EST) in order to provide the service our clients require and expect from us. SA has the sole discretion in determining if the office is to be closed in the event of inclement weather, power or other utility failure, fire, flood, earthquake, or some other emergency.

SA realizes its obligation to employee's physical well-being and strives to maintain a safe work place for employees. The occasional emergency situation that may arise needs to be handled efficiently and calmly. Your immediate supervisor will advise of procedures to be followed when offices are closed because of inclement weather or when emergencies arise during the day. If the customer facility is closed for a full day or more, the employees will have the option to use accrued PTO or make up the hours within the pay period. If the employee has no PTO and cannot make up the full eight hours within the pay period, the employee will be placed on a LWOP status. Please note LWOP can **only** be approved by one of the owners of the Company and must be submitted like any other PTO request. Forms must be submitted to hr@strategic-analytix.com for processing and filing.

Cold Weather Policy

There has recently been increased interest in whether contractor employees are authorized to work through SA's Code Red closures and if not, whether the contractor can bill and be paid for the labor hours that would otherwise have been incurred if work had been performed. The purpose of this section is to explain the law which the Agency follows, provides that you are aware of the rules and can explain them to your customers.

GREEN - The Maryland Procurement facilities in the Baltimore/Washington D.C. area is operating under normal conditions.

BLUE - The Maryland Procurement facilities in the Baltimore/Washington D.C. area are operating under normal conditions. Liberal Leave is in effect for non-emergency personnel.

YELLOW - The Maryland Procurement facilities in the Baltimore/Washington D.C. area are operating under delayed opening of X hours. Liberal Leave is in effect for non-emergency personnel.

GRAY - The Maryland Procurement facilities in the Baltimore/Washington D.C. area are operating under delayed opening with a reassessment. The Specified building(s) will open on a delayed schedule; however, officials will reassess current conditions and may alter their original decision. Employees are to call the hotline back at the specified time to determine the Specified building(s) final operating status.

ORANGE - The Maryland Procurement facilities in the Baltimore/Washington D.C. area are closed for Selected Building(s), Specified building(s) for day, evening, or mid shift non-emergency personnel assigned to this/these building(s). Liberal Leave is in effect for non-emergency personnel.

CLOSED.

PURPLE - Specified building(s) is (are) closed for all shifts effective immediately.

The short answer is that only those contractor personnel who are determined to be emergency or essential personnel and who are performing "critical work", as determined by the Contracting Officer (also referred to as CO) or the Contracting Officer Representative (also referred to as COR), shall report to work at the Agency facilities when they are closed (Code Red days). All other contractor employees do not report to work. Hours may not be billed by the contractor to the Government for those contractor personnel who do not work on any Code days.

The government can only pay for services actually received and required by the contract. If a contractor were to bill the Government for work not actually performed or not required by the contract, it may have engaged in labor mischarging, a violation of the law which may subject it to criminal and/ or civil penalties.

The details are placed in each contract awarded by this Agency, in which work is performed on, or deliveries are made to Government facilities; it spells out

the agreement between the contractor company and the Government with regard to the availability of the Government's facilities for work performed on-site. It requires that contractor personnel not report when the Agency's facilities are closed, whether for federal holidays, snow, or other emergencies, unless the CO or the COR determines emergency or essential personnel are required to perform to meet critical work. This also goes on to state that except when directed by the CO or COR the costs associated with this closure "shall not be a direct reimbursable cost" under this contract, although such costs may be reimbursed as indirect costs if it is in accordance with the contractor's normal accounting procedures. As a practical matter, the issue of direct billing arises for cost reimbursement, time materials, and labor hour contracts, but not for firm fixed price contracts.

Whether or not to work in Agency spaces during Code Red days is *not* within the discretion of the contractor or contractor personnel. But, whether those contractor employees who are not authorized to work at Agency facilities on such days are paid by their employer (the contractor company for which they are employed) is up to the contractor. It is not a determination made by neither the Government nor a decision in which the Agency CO or COR or other Agency program management personnel shall interfere. If the employee is considered to be, and authorized by, the CO or COR as emergency or essential personnel required to perform critical work at Agency facilities on Code Red days, and they actually may work on such days, then their hours can be charged to the contract and there is no issue.

Since the law goes in all Requests for Proposals (RFPs) to which it is applicable, contractors are aware of this restriction when preparing their offers. Certainly, during the RFP process, a company may ask the CO which personnel will be considered emergency or essential. But whether it references it or not, it is in the position at that time to determine whether it will pay its employees for Code Red days in which they actually perform no work, and whether its accounting system authorizes an indirect charge to Government contracts for Code Red days. Furthermore, when the law is inserted into a contract, the technical element shall provide by memorandum or email a list of contractor positions that would be designated as emergency or essential personnel, which should be a minimal list of contractor personnel and that the list should consist of only those persons whose presence is *essential* to continuing the project during Agency closures. If offices have not provided this list to the CO and/or COR, they should be advised to do so forthwith. CO's and/or COR's should then verify that the list of designated contractor employees meets the clause's requirements. For example, the list should be based on an operational requirement and not on any consideration as to whether individual contractor employees may or may not get paid by their employers on such days. Also, if

the majority of Government employees do not work on such days, the program office may have difficulty in determining that an operational need exists and that the majority of employees *must* report on Code Red days, despite travel difficulties and/or other personal difficulties.

If the contract does not provide for separate rates for Code Red days, then obligating contractor personnel to work on Code Red days may require negotiation of a supplemental (and presumably higher) contract rate. The CO should, at least, when authorizing contractor personnel to work out of Agency spaces on Code Red days, confirm that contractor personnel would work for standard contract rates.

Keep in mind even if Agency facilities are closed due to Code Red, the contractor may authorize its employees to work at one of its own facilities or at non-SA customer locations. If work at the contractor's facility is authorized under the contract, then those hours may be directly billed. If work at the contractor's facility is not authorized under the contract then those hours may not be directly billed, but could be billed as an indirect cost in accordance with the contractor's normal accounting practices. Also, the contractor may authorize its employees to take PTO or may authorize administrative leave. The cost of such leave is most likely already built into the contractor's indirect charges. Again, this is something the contractor should have already considered before submitting its offer to the Agency prior to contract award.

Please be aware that only the CO or COR may authorize work during Code Red closures. If program management or other technical personnel authorize contractor performance during such days, they are making unauthorized commitments since they would be acting outside the scope of their authority. The CO is not required to ratify or otherwise pay a contractor for unauthorized commitments. In such instances, the contractor would be considered to have acted as a volunteer. For further information or if you have questions, please send an email to your immediate supervisor or hr@strategic-analytix.com.

h. Lactation Break

The Company will provide a reasonable amount of break time to accommodate a female employee's need to express breast milk for the employee's infant child. The break time should, if possible, be taken concurrently with other break periods already provided. Non-exempt employees should clock out for any time taken that does not run concurrently with normally scheduled rest periods, and such time generally will be unpaid. The Company will also make a reasonable effort to provide the employee with the use of a sanitary room or other location in close proximity to the employee's work area, for the employee

to express milk in private.

Employees should notify their immediate supervisor or the SA HR department to request time to express breast milk under this policy. The Company does, however, reserve the right to deny an employee's request for a lactation break if the additional break time will seriously disrupt operations.

i. Military and the National Guard

As a member of the United States Military Reserve or National Guard, you may be required to take time off to meet annual minimum active training requirements. Contact your supervisor to determine how you will be paid for this time off.

Uniform Services Employment and Reemployment Rights Act (USERRA)

Under the Uniformed Services Employment and Reemployment Rights Act (USERRA), the company is required to grant an unpaid military leave of absence to any employee who requests such leave in order to perform service in the uniformed services. It is the policy of our company to comply with USERRA and all other state, federal, and local laws. In case of any conflicts between this policy and federal, state, or local laws, such applicable laws shall control, subject to conflict of laws principles.

The uniformed services are the Army, Navy, Marine Corps, Air Force, Coast Guard, and the commissioned corps of the Public Health Service. This includes the Reserve components of these services and the Army National Guard and Air National Guard. Under another Federal law, enacted in 2002, Congress has extended reemployment rights under USERRA to persons who serve as Intermittent Disaster Response Appointees (IDRAs).

IDRAs are temporary, intermittent employees of the U.S. Department of Health and Human Services. They respond, often on very short notice, to emergencies involving infectious diseases or weapons of mass destruction, and they also engage in training for such dire contingencies. They are protected by USERRA both for actual emergencies and for training.

USERRA broadly defines the term "service in the uniformed services," as follows:

The term "service in the uniformed services" means the performance of duty *on a voluntary or involuntary basis* in a uniformed service under competent authority and includes active duty, active duty for training,

initial active duty for training, inactive duty training, full-time National Guard duty, a period for which a person is absent from a position of employment for the purpose of an examination to determine the fitness of the person to perform any such duty, and a period for which a person is absent from a position of employment for the purpose of performing funeral honors duty as authorized by section 12503 of title 10 or section 115 of title 32.

38 U.S.C. 4303(13/ (emphasis supplied)

An employee of the company who leaves his or her job for voluntary or involuntary service in the uniformed services will, upon giving us notice, be granted an unpaid military leave of absence.

Some of our employees will perform inactive duty training in the National Guard or Reserve. Such inactive duty training is normally but not always performed on weekends. Those National Guard and Reserve members will also perform annual training and/or specialized training in their Reserve components. National Guard and Reserve service is no longer limited to "one weekend per month and two weeks per year." Many National Guard and Reserve members now perform training that is much more frequent and lengthy.

With two exceptions, our company is not required to pay an employee who is away from work performing service in the uniformed services. The first exception is under section 4316(d) of USERRA, 38 U.S.C. 4316(d). An employee who is away from work performing service in the uniformed services is entitled (not required) to use and be paid for any vacation that the employee has accrued and not used prior to the period of service. Normally, the company is not required to accede to an employee's request to take vacation at a particular time, but in this case we do not have that option. If the employee has vacation to use and requests to use that vacation during a period of service, our company is required to honor that request. We are not required to advance vacation days to an employee under these circumstances, but the employee is entitled to use any vacation days that he or she has already accrued.

The choice to use vacation during service rests entirely with the employee. It would be unlawful for the company to require the employee to use accrued vacation days in this way. Some employees will want to use their vacation days during service, in order to maximize earnings at a time of reduced income, after mobilization. Other employees will want to conserve their vacation days, in order to take vacation after returning from service.

The other exception relates to managerial and executive employees who are *exempt from overtime rules* under the FLSA. These employees work on a salaried rather than an hourly rate. If such an employee works *part of the week* here at the company but misses another part of the week while performing uniformed

service, we are not permitted to dock the employee for the hours not worked. We are permitted to consider what the employee earns from the military, and to pay the difference. If the employee is away from work for the entire week, we are not required to pay anything for that week. This is an FLSA requirement, not a USERRA requirement.

USERRA applies to employees in probationary, seasonal, or "temporary" positions. There is no requirement that the employee have been employed for this company for any minimum period before the absence for uniformed service.

USERRA is not limited to the National Guard and Reserve. An employee who leaves employment with this company for service in the regular military also can have rights under USERRA. The law also protects an employee who takes a day or two off from work for the employment under USERRA.

Eligibility Criteria

An employee who leaves employment at this company for service in the uniformed services will be entitled to reemployment, provided he or she meets the USERRA eligibility criteria:

- The employee (or an appropriate officer of the uniformed service) must have given us prior oral or written notice of the impending service.
- The employee's cumulative period or periods of service, relating to this company, shall not have exceeded five years.
- The employee must have completed the period of service without having received a punitive or other than honorable discharge or having been dismissed or dropped from the rolls of the uniformed service.
- The employee must have made a timely application for reemployment or have been timely in reporting back to work.

Prior Notice

We would prefer that the notice be in writing, but oral notice is sufficient under the statute. We want employees to give us as much advance notice as possible, but we realize that circumstances arise where the employee does not receive notice from the service until the last minute. No specific amount of advance notice is required, but the notice must be given before leaving the civilian job. Advance notice is not required in those rare cases where advance notice is precluded by military necessity or otherwise impossible or unreasonable.

The specific wording of the employee's notice is of no consequence, so long as the employee conveys the information that he or she is leaving the job for the purpose of service. The use of a word like "resign" does not defeat the employee's right to reemployment, so long as the employee has informed us

that military service is the reason for the resignation.

Our company recognizes that individuals serving in the National Guard and Reserve need time off from work sufficient to enable them to travel to the place of training and have a night of rest, before starting the training, so that they can perform the training in a safe and effective manner. We will approve requests to be away from work on Friday, and particularly Friday evening, prior to inactive duty training on Saturday.

Five-Year Limit

The five-year limit is measured from the date of commencement of the individual's employment relationship with this company. Uniformed service performed before the individual's hire date is irrelevant for purposes of the individual's USERRA rights for this company. Reserve and National Guard training and involuntary call-ups do not count toward the individual's five-year limit. Some voluntary service is also excluded in computing the five-year limit. Please check with SA's HR team before denying reemployment on the basis of the five-year limit.

Release from Service Under Honorable Conditions

An individual does not have reemployment rights with this company if he or she has received a

punitive (by court martial) or other-than-honorable discharge or if he or she has been "dropped from the rolls" of the uniformed service. Please check with SA's HR department before denying reemployment on the basis of the characterization of the individual's service.

Timely Application for Re-Employment

Period of 1-30 Days of Service

After a period of less than 31 days of service, the employee is required to report for work at the start of the first full regularly scheduled work period on the first day after the completion of the period of service, the time reasonably required for safe transportation from the place of service to the individual's residence, and a period of eight hours (for rest). If reporting that next day is impossible or unreasonable because of factors beyond the individual's control (like an accident on the return trip), the individual is required to report for work as soon as reasonably possible thereafter.

Period of 31 Days of Service or More

If the period of service is greater than 30 days but less than 181 days, the individual is required to submit an application for reemployment within 14 days. If the period of service is 181 days or more, the individual must submit an application for reemployment within 90 days. No particular form is required for

the application for reemployment, and our company will not try to deny reemployment based on quibbling with the wording. If the individual communicates with us, within the 14 days or 90 days, and tells us that he is available to return to work after service, we will offer reemployment to the individual.

Effect of Tardiness in Reporting Back to Work

If the individual misses the relevant deadline by a day or two, he or she is entitled to reemployment, but he or she is subject to our usual policy regarding explanations or sanctions for absence from scheduled work. For example, assume that the employee is returning from a period of 179 days of service and has 14 days to submit the application for reemployment. The employee submits the application on day 15. He or she has the right to reemployment, but he or she may be subject to a two-week suspension without pay for one day of unexcused absence.

Entitlements After Returning from Work

Prompt Reinstatement

After a period of less than 31 days of service, the employee is required to report for work on the next workday, as explained above. The employee will be considered to be back on the payroll as of the time he or she reports for work.

After a period of 31 days or more of service, the employee is required to submit an application for reemployment. If the employee submits a timely application and meets the other eligibility criteria, we will act promptly on that application. We will not make the returning service member wait for a vacancy, and if training or retraining is needed we will offer it to the employee "on the clock." We will offer reemployment to the individual not later than the start of the next pay period after the pay period when the individual submits the application for reemployment.

For example, assume that the individual submits the application for reemployment on December 10, 2006. The next pay period begins on January 1. The individual will be offered the opportunity to report back to work and be back on the payroll as of January 1, if not sooner.

Continuous Accumulation of Longevity for Seniority Purposes

A person who returns to employment with our company after service in the uniformed services, and who meets the eligibility criteria under USERRA, is entitled to continuous company longevity for the entire period of the military-related absence. This includes the period between leaving the job and the start of the service, the period of service, the period (up to 90 days) during which the individual waited to submit the application for reemployment, and the

period between the application for reemployment and returning to work.

For example, assume that Connie Smith joined our company on January 1, 2002. On November 1, 2004, she gave us notice of impending service and actually left the job on November 20, 2004. The person served on active duty from December 1, 2004 to November 30, 2005, and she applied for reemployment on January 15, 2006. Upon her return to work on January 29, 2006, she is entitled to continuous company seniority since January 1, 2002.

Upon reemployment, Connie Smith is entitled to pay raises, promotions, and other benefits that she would have received, in accordance with seniority, at some time between November 2004 and January 2006. It is our company policy to give the returning veteran the benefit of the doubt.

We will accord Ms. Smith (and all others similarly situated) the promotions, pay raises, and benefits that she *probably* would have received if she had been continuously employed.

Continuous Accumulation of Longevity for Retirement Purposes

The company has a defined contribution plan, funded jointly by the company and individual employees. An individual employee is permitted to set aside between 1% and 50% of his or her company compensation, pre-tax, and the company will make a discretionary match based on the employee's contribution.

A returning veteran who meets the USERRA eligibility criteria will be given the opportunity to make up missed employee contributions to the defined contribution plan. Such make-up contributions must be made within the period that begins on the date of reemployment and extends for three times the period of service, but not more than five years. All such make-up payments shall be made on a pre-tax basis. The employee will be given the opportunity to set aside between 1% and 50% of his or her imputed income, during the period of service, even if he was not putting money in the defined contribution plan before the period of service. When he or she makes those contributions, after returning from service, the company will provide any applicable discretionary matching contributions.

Employer and employee contributions to the defined contribution plan account will be based on what he or she would have earned from the company during the military-related absence. What-o service rate of compensation, plus any pay raises or promotions that are based on seniority or cost-of-living that the employee would have received during the military-related absence.

Some employees of this company are compensated in such a way that the

amount that the employee *would have earned* during the military-related absence is not readily determinable after the fact. For example, John Jones works in our sales force, and more than half of his or her compensation comes from commissions. It is impossible to determine exactly how much he or she would have earned in commissions, if his or her career at our company had not been interrupted by service. In that situation, the amount that Jones would have earned will be computed based on his or her average rate of compensation during the last year of company service before the military-related interruption. If he or she was employed for less than one year, the computation will be based on his or her average rate of compensation during his or her entire period of employment at this company.

Status

If the employee's period of service was less than 91 days, he or she is entitled, upon reemployment, to the exact job that he or she would have attained if he or she had been continuously employed. In most cases, that will be the same as the pre-service job.

If the period of service was 91 days or more, our company has the option to reemploy the returning veteran either in the position that he or she would have attained or, alternatively, in another position of like seniority, status, and rate of pay. Offering the returning veteran reemployment in a not of like status is not a sufficient compliance with USERRA.

Location (commuting area) is an aspect of status. Offering to reemploy the veteran in a distant city is not a sufficient compliance with USERRA, unless the evidence establishes that the job itself was moved to that distant city during the employee's military-related absence. Other aspects of status include hours of work (most employees prefer to work during the day, not at night), opportunity to earn commissions or to be promoted, etc. If we offer the returning veteran reemployment in an alternative job, we must ensure that the alternative job is equivalent in all respects to the job that he or she would have attained if continuously employed.

If we offer the returning veteran reemployment in an alternative position, it must be a position for which the employee is qualified. Putting an employee in a position for which he or she is not qualified is a recipe for failure and would not be a sufficient compliance with USERRA.

Training or Retraining

If an employee returns to work after a long period of military service, he or she may find that many things have changed in the interim. There will have been technological developments and changes in ways of doing business. The returning veteran is entitled to the training or retraining that he or she would

have received if continuously employed.

Special Protection Against Discharge. Except for Cause

The returning veteran who meets the USERRA eligibility criteria may not be discharged, except for cause, within one year after reemployment, if the veteran's period of service was 181 days the employee is discharged during the special protection period, our company has a heavy burden of proof, to show that the employee was discharged *for cause*.

This special protection provision applies even if the employee was in an at-will or probationary status before leaving for service. The special protection provision is intended to protect the veteran from a bad faith or *pro forma* reinstatement. Please do not try to discharge a returning veteran during the special protection period without first checking with the HR department.

Entitlements of Returning Disabled Veterans

Some of our employees who have been called to serve will return with temporary or permanent physical limitations, resulting from service-connected injuries or illnesses. In such a situation, we are required to make *reasonable accommodations* in equipment, scheduling, etc. in order to enable the employee to perform the duties of his or her escalated reinstatement position (the position that he or she would have attained if continuously employed). Of course, some disabilities cannot be accommodated. If the employee cannot be reinstated in the escalated reinstatement position, he or she is entitled to reinstatement in some other position, the duties of which he or she can perform despite the limitations. The employee is entitled to the position that comes as close as possible (in terms of seniority, status, and pay) to the position to which he or she would be entitled but for the disability.

Reinstatement of Health Insurance Coverage

An employee returning from service, and who meets the USERRA eligibility criteria, is entitled to *immediate reinstatement* of our company health insurance coverage upon reemployment. This applies to coverage for the employee and for family members who would have been covered if the employee had been continuously employed. This includes children born or adopted during the employee's military-related absence from work. There must be no waiting period, and no exclusion of "pre-existing conditions" except for conditions that the U.S. Department of Veterans Affairs has determined to be service-connected.

Entitlements During Service

Furlough or leave of Absence Clause

An employee who is away from work performing service in the uniformed

services is entitled to *non-seniority benefits*, during the military-related absence, if and to the extent that our company offers such benefits to employees on some other form of leave, like jury leave, educational leave, or maternity/paternity leave.

Continuation of Health Insurance Coverage During Service

1. The employee returns to work after service.
2. The employee allows the deadline for an application for reemployment to pass without having made such an application.
3. Eighteen (18) months have passed since the employee left his or her civilian job for service.

The right to reinstated coverage after service is *not* contingent on continuing coverage during service. Most of our employees who leave for service of more than 30 days will not elect continued coverage during service, because during their service they are entitled to use the military health care system for themselves and their families.

Protection Against Discrimination

Section 4311(a) of USERRA provides as follows:

A person who is a member of, applies to be a member of, performs, has performed, applies to perform, or has an obligation to perform service in a uniformed service shall not be denied initial employment, reemployment, retention in employment, promotion, or any benefit of employment by an employer on the basis of that membership, application for membership, performance of service, application for service, or obligation.

It would be unlawful for our company to deny an individual initial employment, or to deny an existing employee any benefit, or to fire an employee, because of the person's membership in a uniformed service, obligation to perform future service, etc. It is our policy to obey this law. We will not consider military status or service when making hiring, promotion, or firing decisions.

j. Benefit Programs

Group Medical, Dental, and Vision Insurance

SA has a group insurance plan including medical, dental, and vision coverage for full-time eligible employees a summary of this plan is available to every eligible

employee. Please refer to the plan description for more detail.

You may also elect to include your spouse and/or dependents on this plan. This program provides you financial protection against the high cost of medical/hospitalization should you or your family suffer from serious personal illness or injury.

Explanation of these benefits and claim forms are provided in a separate summary plan description booklet made available by the insurance carrier. Should you have further questions concerning this insurance, contact SA's or SA's HR department. Changes in benefits and/or premium may occur from time to time. If changes in benefits and/or premium costs change and it affects the employee, SA will let the employee know as soon as possible of the upcoming change.

With the exception of medical coverage, coverage begins on the first day of the first calendar month in which you become eligible in the plan(s). Medical coverage begins on your first day of employment. Continuation of coverage may be available to you, your spouse, or your dependents upon termination of employment [or for other cause] with the Company [see COBRA plan].

A. Continuation of Health Coverage under COBRA

If you are an employee participating in a health care reimbursement plan, such as a flexible spending arrangement (or health reimbursement FSA, which is funded in whole or in part through pre-tax payroll deductions), you, or your qualified beneficiaries, may have limited COBRA continuation coverage with respect to the health FSA. Your eligibility for this limited COBRA continuation coverage will be determined based on how much of your annual reimbursement amount has been distributed to you as of the date of the qualifying event. COBRA coverage will not be offered to you if you have "overspent" your excepted health FSA as of the date of your qualifying event. Also, the limited health FSA COBRA continuation coverage period available to qualified beneficiaries who have not overspent their health FSA ends as of the end of the Plan Year in which the qualifying event occurs.

The law also provides that your continuation coverage may be terminated for any of the following five reasons:

1. SA no longer provides group health coverage to any of its employees;
2. The premium for your continuation coverage is not paid on time;
3. You become covered under another group health plan, unless that plan contains any exclusions or limitations with respect to any pre-existing conditions you or your covered dependents may have.

4. You become entitled to Medicare;
5. You extended coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage.

However, under the law, you may have to pay the entire premium, for your continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium.

The law also says that, at the end of the 18 months or 36 months' continuation coverage period, you must be allowed to enroll in an individual conversion health plan provided under the current insurer's medical plan. If you have any questions about the law, please contact SA's HR department. Also, if you have changed marital status, or you and your spouse have changed addresses, please notify SA's HR department.

k. Disability Benefits

STD and LTD plans protect regular full-time and part-time employees (working over 30 hours per week) against loss of time in case of total or partial disability through sickness or after injury.

Employees may elect this benefit which is 100% paid by the Company. STD pays 60% of an employees' weekly salary up to a \$2,000 per week after 8 days of consecutive illness. The LTD plan pays 60% of the base monthly salary (not including overtime, incentives, commissions, or bonuses) up to a maximum benefit of \$10,000 per month, less any amounts paid under Worker's Compensation laws. The eligibility period is 90 days. Worker's Compensation is the primary and dependent disability provision of Social Security, in addition to other sources enumerated in

the basic contract may not exceed 60% of the monthly salary that is subject to contributions under this plan.

l. Life and Accidental Death & Dismemberment (AD&D) Insurance

The Company provides regular full-time employees and part-time employees working 30 hours or more per week under the age of 70 with group term life insurance valued at 1 x employees annual salary up to a maximum of \$200,000 at no cost to the employees. In addition, the Company also provides AD&D insurance to eligible employees. These benefits are 100% paid by the Company.

There are certain tax implications associated with life insurance thus, employees should be aware that imputed income will be added to their paycheck prior to year-end for any life insurance amount in excess of \$50,000. This automatically appears on the employees' W-2.

m. AFLAC Supplemental Insurance

Sun Life's voluntary supplemental insurance program allows employees to purchase additional insurance at discounted rates through payroll deductions on a pre-tax basis. It is also available to your spouse and dependent children at the same reduced rates. Sun Life offers several different types of insurance including Life, AD&D, STD, Cancer Protection, etc. For certain levels of coverage, Sun Life's insurance program does not require you to provide medical evidence or insurability. You can obtain more specific information from SA's HR department.

n. Health Insurance Portability and Accountability Act (HIPAA)

The HIPAA of 1996 is another law that has provisions that may affect decisions you make about your participation in the Group Health Continuation Plan.

The new provisions, generally effective January 1, 1997, fall into these areas:

- Under previous law, only employees who were fully disabled at the time of their termination of employment or reduction of hours and receiving disability payments from the Social Security Administration were entitled to up to 29, rather than 18, months of continuation coverage. Under the new law, dependents of employees may receive the eleven-month continuation coverage extension, and both employees and dependents may qualify for the extension if their disability exists within the first sixty days of continuation coverage under the COBRA law.
- Individuals covered under COBRA will be able to change their coverage status upon the birth or adoption of a child.
- COBRA coverage can be terminated if a qualified beneficiary becomes covered under another group health plan, regardless of certain preexisting condition clauses.
- If you exhaust your 18, 29, or 36-month COBRA continuation coverage in our employer-sponsored health benefit plan(s) and are employed at that time, your new employer may establish a special enrollment period for you.

The new law was enacted to stimulate portability of health benefits, but it states that any break in your continuing health coverage of more than 63 days may subject you and/or your dependents to up to twelve months of preexisting

condition exclusions by a new employee who notifies us that he or she will be away from work performing service is entitled to elect continued health insurance coverage, through our company, *during* the military-related absence from work. If the period of service (as called for in the individual's military orders) is for less than 31 days, the company is permitted to charge *only the employee share* of the cost of the coverage. If the period of service is greater than 30 days, the company is permitted (but not required) to charge up to 102% of the entire premium, including the part that the employer normally pays in the case of active employees. We are required to make this continuing coverage available to the employee who is away from work for service until the first of the group or individual health plan in which you enroll. Upon the conclusion of your continuation coverage, we will provide you with a "Coverage Certification" which will describe the term of your coverage in our Plan(s) for future health insurance sponsors.

As of April 14, 2003, the HIPAA Privacy Rule for the first time creates national standards to protect individuals' medical records and other personal health information.

- It gives patients more control over their health information.
- It sets boundaries on the use and release of health records.
- It establishes appropriate safeguards that health care providers and others must achieve to protect the privacy of health information.
- It holds violators accountable, with civil and criminal penalties that can be imposed if they violate patients' privacy rights.

And it strikes a balance when public responsibility supports disclosure of some forms of data - for example, to protect public health.

For patients, it means being able to make informed choices when seeking care and reimbursement for care based on how personal health information may be used.

- It enables patients to find out how their information may be used, and about certain disclosures of their information that have been made.
- It generally limits release of information to the minimum reasonably needed for the purpose of the disclosure.
- It generally gives patients the right to examine and obtain a copy of their own health records and request corrections.
- It empowers individuals to control certain uses and disclosures of their health information.

If you have any questions about these changes in coverage described above,

please contact SA's HR department.

o. 401(k) Plan

The 401(k) plan provides a method in which employees can save for future financial security. Employees are eligible to enroll in the Company sponsored 401(k) plan on the first of every month upon meeting the eligibility requirements of the plan. Employees 21 or older are immediately eligible to participate in the 401(k) Plan.

Employees are eligible for a discretionary match from SA; such match is to be determined annually. SA shall make a nondiscretionary safe harbor matching contribution of 100% of the first 7% of the Participant's Compensation for a payroll period. Safe harbor matching contributions vest immediately and shall be nonforfeitable when made.

Employees may defer between 1% and 80% of their income into their retirement fund up to the annual IRS maximum. The annual IRS maximum refers to the total amount one individual may contribute in a year.

Employees have the option of contributing to a Traditional 401(k) account, a Roth 401(k) account, or both. Money cannot be transferred from one account to the other after the deferral is made. The annual IRS maximum remains the same, regardless of plan choice; the annual IRS maximum refers to the total amount one individual may contribute in a year, whether contributions are made to one account or two.

The difference between the Traditional 401(k) plan and the Roth 401(k) plan is the timing of the tax break; a Traditional 401(k) plan gives employees a tax break when contributions are made, and the Roth 401(k) plan gives employees a tax break when distributions are made. Which retirement plan offers the larger tax break depends on the tax rate at the time of contributions versus the tax rate at the time of distribution.

Traditional 401(k)

In a Traditional 401(k) plan, contributions are made with pre-tax dollars. The money is not taxed while it remains in your account, but is taxed upon distribution after age 59 ½. With this option, the growth of the money will be taxed.

Roth 401(k)

In a Roth 401(k) plan, contributions are made with post-tax dollars. The money is not taxed while it remains in your account, and is not taxed upon distribution after age 59 ½. With this option, the growth of the money will not be taxed.

Participation in the plan is voluntary. You can obtain more specific information from SAs HR department or 401(k) Information packet.

p. Employee Assistance Plan (EAP)

Everyone has worries from time to time. When concerns in your personal life, or at work, are beginning to weigh you down, call our EAP. The professional counselors are available 24-hours per day to help you and your family members sort things out at no cost to you. Information on the EAP is given in orientation, and depending on your situation, the counselor may:

- Help you devise a plan to solve your problem
- Refer you to a local professional for in-person help
- Tell you about helpful resources in your community

The EAP can help in a wide range of issues, including, but not limited to:

- Marriage or relationship problems
- Emotional distress
- Parenting challenges
- Stress management
- Grief and loss
- Conflict resolution
- Financial worries
- Personal legal issues (not against employers or health plans) If you need more

q. Education Reimbursement

SA encourages all employees to continue their education. If you wish to study job-related courses, you may be eligible to receive reimbursement for tuition, books and fees up to \$5,000 for undergraduate classes and up to \$5,000 for graduate courses. The reimbursement is granted upon approval, proof of payment, and satisfactory completion. Employees must obtain pre-approval for tuition reimbursement under this policy on order to receive education reimbursement. Please contact hr@strategic-analytix.com for additional

information.

To be eligible for tuition reimbursement under this policy an employee must:

- Be a regular full-time employee (working at least 30 hours per week);
- Be on the payroll when the course is completed; and
- Obtain the required passing grades - "C or better and "Pass" (Grades of "D", "F/Incomplete" or "Fail" are not reimbursed).

Repayment of the education reimbursement is required if the employee terminates their employment within twelve (12) months after reimbursement. Repayment will be deducted from the final paycheck. In the event the amount owed exceeds the final paycheck the employee will agree to a payment of the amount owed which must be paid within one (1) month following termination of employment.

r. Professional Development

SA encourages professional development and will reimburse regular full-time employees (working at least 30 hours per week) \$2,000 maximum per calendar year with a passing grade or the successful completion of a Seminar/Certification/Conference in the areas of Information Technology or Acquisition related certificates and up to \$1,500 maximum for other work related areas of study. If an employee voluntarily leaves SA within twelve (12) months of receiving reimbursement for professional development, they must reimburse the company in full. Please contact the HR department for further information.

s. Employee Referral Bonus

A Referral bonus of \$2,500 to \$5,000 is paid to full time employees who refer an individual to SA who is hired to meet the requirements of an open position. The exact amount of the referral bonus is determined by the owners of SA. The referred employee must be a full time and billable employee for 90 days before the referral bonus is paid and six to the referring employee. Both employees must be employed with SA at the end of the eligibility period.

t. Annual Bonus Plan

A bonus is given to those employees who demonstrate consistent, exceptional performance above and beyond their daily job responsibilities. Group Managers, Corporate Managers and Executive Management determine candidates and bonus amounts. A few of the determining factors are: employee

contribution to customer satisfaction, new business acquisition, and non-project related assistance that benefits the corporation.

u. Charitable Contributions

SA will match up to \$500 per employee per calendar year for an active employee's contribution to any charity, community group or tax-exempt organization (i.e. 501(C)(3) entity). Please contact the Finance department via hr@strategic-analytix.com for further information.

v. Professional Technology Enhancement

SA will provide up to \$500 per year towards the purchase of approved technology service/equipment. This benefit is towards equipment used for skills development or SA business. Please contact the HR department for a current list of approved equipment.

w. Health Fitness Reimbursement

SA will provide up to \$500 per year towards the purchase of approved health fitness service/equipment. This benefit is towards health and fitness used for SA business. Please contact the HR department for a current list of approved equipment.