

# KEARNEY & COMPANY, P.C.

## Policies and Procedures

*This document is designed to acquaint you with Kearney, and provide you with general information about working conditions, employee benefits, and some of the policies affecting your employment. This supersedes in all respects any prior handbook, policy manual, benefits, or practices of Kearney. The contents of this document are presented as a matter of information only. It is not intended in any way to confer any rights or privileges upon you, or to create any contract or agreement of employment for any specific period of time. While it is hoped that your employment with Kearney will be satisfying and rewarding, you are, of course, free to resign at any time, just as Kearney is free to terminate your employment at any time. We cannot begin to explain every policy or practice in this document nor address every circumstance or question about policy. As Kearney continues to grow, the need may arise for it to exercise its exclusive right to supplement, change, or rescind any policies or portion of the document from time to time, as deemed appropriate in sole and absolute discretion, without prior notice. At Kearney, good communication is essential to creating a positive environment that encourages employees to work together to achieve Company goals. If you have any questions about the contents of this document or any matter affecting you, please discuss the subject with your supervisor, the Chief People Officer (Erin Ogburn), or Partner/Chief Operating Officer (Brian Kearney).*



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**KEARNEY & COMPANY,  
P.C. AND  
E F KEARNEY LIMITED  
POLICIES AND  
PROCEDURES**

**I. ETHICS**

A firm's reputation for integrity is one of its most valuable assets and is determined by the conduct of its employees. Therefore, employees of Kearney & Company, P.C./E F Kearney Limited (collectively "Kearney" and/or "Company") must conduct business in conformance with the highest personal, professional, and ethical standards. It is the responsibility of each employee to avoid the appearance or the fact of impropriety or ethical misconduct.

**II. EMPLOYMENT AND GENERAL OFFICE POLICIES**

**Equal Employment Opportunity, Inclusiveness, and Non-Discrimination**

Kearney believes in conducting its business, including all employment decisions, with a policy of inclusiveness, equal opportunity, and non-discrimination. It is Kearney's desire to promote an atmosphere where employees feel included and encouraged to grow both personally and professionally. The Company prohibits discrimination, harassment, and retaliation in all employment actions based on race; color; creed; genetic information; religion; national origin; ethnicity; gender; gender identity, sexual orientation; pregnancy, childbirth, or related medical condition; age; disability or handicap; servicemember status; or any other category protected by Federal, state, or local law. Kearney also does not discriminate because of a person's relationship or association with a protected veteran. This includes spouses and other family members. Kearney will safeguard the fair and equitable treatment of protected veteran spouses and family members with regard to all employment actions and prohibit harassment of applicants and employees because of their relationship or association with a protected veteran. This policy governs all aspects of employment, including job selection, assignment, compensation, benefits and training, discipline, and termination.

If you have any questions or concerns about any type of discrimination in the workplace, you should bring these issues, without fear of reprisal, to the attention of your supervisor, the Chief People Officer, the Chief Operating Officer, or a member of senior management. Anyone found engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

**Pay Transparency**

Kearney will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay

of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with Kearney's legal duty to furnish information 41 CFR 60-1.35(c).

## **The Americans with Disabilities Act**

The Americans with Disabilities Act (ADA) requires employers to reasonably accommodate qualified individuals with disabilities. It is the policy of the Company to comply with all Federal and state laws concerning the employment of persons with disabilities.

It is Company policy not to discriminate against qualified individuals with disabilities in regard to application procedures, hiring, advancement, discharge, compensation, training, or other terms, conditions, and privileges of employment.

Kearney will reasonably accommodate qualified individuals with a temporary or long-term disability so that they can perform the essential functions of a job. When an employee requests an accommodation, Kearney will engage in a timely, good faith interactive process with the employee to determine if the requested accommodation is reasonable, and if not, discuss alternative reasonable accommodations that may be provided. The employee will not be required to take leave if another reasonable accommodation can be provided.

An individual who can be reasonably accommodated for a job, without undue hardship, will be given the same consideration for that position as any other applicant. Requests for accommodations should be sent to Human Resources by creating a case in Kearney Connect, or by e-mailing [hr@kearneyco.com](mailto:hr@kearneyco.com).

## Definitions

As used in this policy, the following terms have the indicated meaning and will be adhered to in relation to the ADA policy:

- “Disability” refers to a physical or mental impairment that substantially limits one or more of the major life activities of an individual. An individual who currently has such an impairment, has a record of such an impairment, or is regarded as having such an impairment is considered a “disabled individual”
- A “qualified individual with a disability” means an individual with a disability who, with or without reasonable accommodation, can perform the essential functions of the employment position that the individual has applied for or holds
- “Reasonable accommodation” means making existing facilities readily accessible to and usable by individuals with disabilities, job restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or



- devices, adjustment or modification of examinations, adjustment or modification of training materials, adjustment, or modification of policies, and similar activities
- “Undue hardship” means an action requiring significant difficulty or expense by the employer. The factors to be considered in determining an undue hardship include, but are not limited to:
    - Nature and cost of the accommodation
    - Overall financial resources of the facility at which the reasonable accommodation is to be made
    - Number of persons employed at that facility
    - Effect on expenses and resources, or other impact upon that facility
    - Overall financial resources of the Company
    - Overall number of employees and facilities
    - Operations of the particular facility, as well as the entire Company
    - Relationship of the particular facility to the Company.
  - “Essential job functions” refers to those activities of a job that are necessary in order to perform the activities involved in the job that cannot be modified.

### **Reasonable Accommodations for Pregnancy**

Kearney provides reasonable accommodations for pregnancy, childbirth or related medical conditions, including lactation, unless the accommodation would impose an undue hardship. In response to a request for a reasonable accommodation, Kearney will not:

- Take adverse actions against the employee,
- Deny employment or promotions; or,
- Require an employee to take leave if another reasonable accommodation can be provided.

Examples of reasonable accommodations include more frequent or longer bathroom breaks, breaks to express breast milk, a modified work schedule, or leave to recover from childbirth. When an employee requests an accommodation, Kearney will engage in a timely, good faith interactive process with the employee to determine if the requested accommodation is reasonable, and if not, discuss alternative reasonable accommodations that may be provided.

Kearney headquarters offers a private Family Room for breaks to express breast milk and other accommodations that require privacy. Employees requiring use of this room will be provided a passcode to enter. If you require an accommodation at client-site, please reach out to Kearney’s Human Resources team.

Requests for accommodations should be sent to Human Resources by creating a case in Kearney Connect, or by e-mailing [HR@kearneyco.com](mailto:HR@kearneyco.com).

**Sexual and Other Unlawful Harassment**

Harassment of applicants and employees on the basis of race, color, creed, genetic information, religion, national origin, ethnicity, gender, sexual orientation, pregnancy or related medical condition, age, disability or handicap, or servicemember status, including sexual harassment (all as defined and protected by applicable law) is unacceptable and will not be tolerated at Kearney.

**Sexual Harassment**

Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when:

- Submission to such conduct is made either an explicit or implicit term or condition of an individual's employment
- Submission to, or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance, or creating an intimidating, hostile, or offensive work environment. Any behavior of a sexual nature will be considered unwelcome if it is not solicited by the employee and was of the type that a reasonable person would regard as offensive.

No employee or applicant should be subjected to unsolicited and unwelcome sexual overtures, nor should any employee or applicant be led to believe that an employment opportunity or benefit will in any way depend upon "cooperation" of a sexual nature.

Sexual harassment is not limited to demands for sexual favors. It also may include such actions as:

- Sexually-oriented verbal "kidding," "teasing," or jokes
- Repeated offensive sexual flirtations, advances, or propositions
- Continued or repeated verbal abuse of a sexual nature
- Graphic or degrading comments about an individual or his or her appearance
- Display of sexually suggestive objects or pictures
- Subtle pressure for sexual activity
- Inappropriate physical contact.

Sexual harassment does not refer to occasional compliments of a socially acceptable nature or consensual personal and social relationships without a discriminatory employment effect. It refers to behavior that is not welcome and is personally intimidating, hostile, or offensive.

**Other Unlawful Harassment**

Harassment on other grounds, including race, color, creed, genetic information, religion, national origin, ethnicity, gender, sexual orientation, pregnancy or related medical condition,

age, disability or handicap, or servicemember status is also prohibited. Harassment includes jokes, verbal abuse and epithets, degrading comments, display of offensive objects and pictures, and other conduct that the individual might reasonably find to be offensive.

### Scope of Policy

This policy prohibiting harassment, whether sexual or of another nature, is not limited to relationships between and among employees and prospective employees, but also extends to interaction with clients or customers. No employee shall ever subject any client or prospective client of the Company to sexual harassment of any nature, including that conduct described above. Furthermore, no employee will be required to suffer sexual harassment by any client, vendor, or supplier. Any unwelcome sexual overtures or other forms of sexual harassment advanced by a client, vendor, or supplier should be reported immediately to the Chief People Officer or the Chief Operating Officer.

### Complaint Procedure

Kearney encourages reporting of all incidents of sexual or other harassment, regardless of the identity of the offender. While the Company encourages individuals who believe they are being harassed to firmly and promptly notify the offender that his or her behavior is unwelcome, the Company also recognizes that power and status disparities between the offender and the recipient of the offensive conduct may make such a confrontation impossible. Consequently, such direct communication is not a requirement or prerequisite to filing a complaint.

Any employee who feels that he or she is or has been the victim of illegal discrimination or harassment in violation of this policy should immediately notify his or her supervisor or the Chief People Officer, Erin Ogburn ([EOgburn@kearneyco.com](mailto:EOgburn@kearneyco.com)) or the Director of Human Resources ([Diane.Jackson@kearneyco.com](mailto:Diane.Jackson@kearneyco.com)). Supervisors will report the incident to the Chief People Officer or the Director of Human Resources for further clarification. The Company will fully investigate all complaints and maintain confidentiality to the extent possible given the Company's duty to investigate the complaint. Anyone who is found to have engaged in illegal discrimination or harassment will be subject to appropriate disciplinary action, which may include termination of employment, depending on the circumstances. No employee will be retaliated against for making a complaint or assisting with the investigation of a complaint.

The Company is strongly committed to maintaining a workplace free of impermissible harassment or intimidation, including sexual harassment. All complaints will be taken seriously. If you have questions, please speak to the Chief People Officer or the Director of Human Resources.

### Mandatory Training

All Kearney employees are required to complete Sexual Harassment Prevention Training within 30 business days of their date of hire. On an annual basis, employees are also required to complete a Sexual Harassment Prevention Training and sign an acknowledgement of completion.

## **Combating Trafficking in Persons (CTIP)**

In keeping with Federal Acquisition Regulation (FAR) 52.222-50, Combating Trafficking in Persons, Kearney proudly fosters a culture of respect, which includes an unwavering corporate opposition to any form of human trafficking or forced labor in all aspects of our business. Kearney's CTIP policy applies to Kearney, our employees directly engaged in contract performance, and all individuals authorized to act on behalf of Kearney.

Employees may report activity inconsistent with this policy to Ms. Erin Ogburn, Kearney's Ethics Officer, via the Ethics Hotline at (703) 236-2960. Violations may also be reported to the hotline phone number of the Global Human Trafficking Hotline at 1-(844) 888-FREE and/or its e-mail address at [help@befree.org](mailto:help@befree.org). Noncompliance with this policy will be enforced through sanctions commensurate with the level of infraction, including termination. Kearney must report all violations to the Government and violators may also be subject to criminal prosecution.

## **Background Checks**

Kearney (the "Company") is committed to providing employees with a safe work environment and protecting its resources and assets. In this regard, the Company has adopted this background check policy. The Company will use all information obtained during background checks solely for evaluating job applicants' or employees' suitability for employment with the Company and/or a specific work assignment pursuant to certain contracts with Company's clients, in compliance with applicable federal, state, and local laws.

### Scope of Background Checks

The Company may conduct background checks on job applicants and employees that may include but are not limited to the following: references and prior employment, as well as educational, criminal, driving, governmental sanction, and credit history, to the extent permitted by and in compliance with federal, state, and local laws. The Company will determine the nature and scope of the background check. The background check will be consistent with the needs of the job applicant's or employee's position. Certain Company clients (e.g., contract sponsors, government agencies) may require additional pre-employment and/or pre-assignment background checks, searches, and screens that are unique to a specific work assignment.

### Consent to Background Checks

The Company will ask job applicants or employees to sign a consent form authorizing the Company to conduct a background search. If job applicants or employees refuse to sign the consent form, the Company may no longer consider job applicants as candidates for employment or employees may be subject to discipline, up to and including termination. If the Company discovers that job applicants or employees falsified or omitted information on consent forms, job applicants may be denied employment and employees may be subject to discipline, up to and including termination.

### Confidentiality

The information obtained through background checks is confidential and will be shared only with individuals with an essential business need to know.

### Offers of Employment and Continued Employment

An offer of employment made by the Company or continued employment may be contingent upon the successful completion of a background check.

### **Drug and Alcohol Testing and Substance Abuse**

Kearney (the “Company”) is committed to providing employees with a safe and healthy work environment that is conducive to attaining high work standards and promoting employee health and well-being, and client confidence. Accordingly, Kearney is committed to providing a workplace that is free from alcohol, unlawful drugs, or any other unlawful substance as classified under local, state, or federal laws while employees are working for the Company or any of Company’s clients, whether on or off Company or client premises. This policy also applies to use of all Company vehicles and equipment.

#### Pre-employment Drug Testing

If required by a Company client pursuant to a certain contract and/or specific work assignment, applicants for employment will be required to submit to pre-hire drug testing once a conditional offer of employment has been made. To the extent permitted by law, the Company may condition employment offers on the successful completion and passing of any required drug screening administered by a licensed independent testing facility of the Company’s choice.

Applicants who are required to submit to pre-hire drug testing will be notified of such a requirement upon a conditional offer of employment.

#### Pre-Assignment Drug Testing

If required by a Company client pursuant to a certain contract and/or specific work assignment, current Kearney employees will be required to submit to pre-assignment drug testing once a conditional offer of re-assignment has been made. To the extent permitted by law, the Company may condition an offer of re-assignment on the successful completion and passing of any required drug screening administered by a licensed independent testing facility of the Company’s choice.

Employees who are required to submit to pre-assignment drug testing will be notified of such a requirement upon a conditional offer of re-assignment.

#### Reasonable Suspicion Testing

To the extent permitted by law, if the Company has a reasonable suspicion that an employee’s performance or behavior indicates that he or she is violating the Company’s drug, alcohol and

substance abuse policies, then the Company reserves the right to require the employee undergo drug and/or alcohol testing.

#### Random Testing

If required by a Company client pursuant to a certain contract and/or specific work assignment, and to the extent otherwise permitted by law, employees are subject to random drug testing, under the procedures described below in this policy. The Human Resources Department will schedule the testing.

Employees working pursuant to a contract and/or a specific work assignment that requires random drug testing shall be notified of such a requirement at the time of onboarding to such assignment.

#### Post-Incident Testing

In accordance with applicable law, the Company may require employees who violate the Company's safety or security procedures or who are in work-related accidents to undergo drug and alcohol testing. No injuries or property damage are necessary to require drug testing.

#### Procedures for Drug Testing

The Company will refer the applicant or employee to an independent medical clinic or laboratory, which will administer the test. The Company will pay the cost of the test. The applicant or employee will have the opportunity to alert the clinic or laboratory personnel to any prescription or non-prescription drugs that he or she has taken that may affect the outcome of the test. The clinic or laboratory will inform the Company as to whether the applicant passed or failed the drug test.

#### Confidentiality

The Company will treat all drug testing-records as confidential as required by law. The Company will not disclose the results of the test without the employee's consent or a court order.

#### Consequences of a Positive Test

To the extent permitted by law, the Company will deny employment to any applicants who test positive for inappropriate drug use.

To the extent permitted by law, employees who test positive for inappropriate alcohol or drug use will be subject to discipline, up to and including termination.

#### Consequences for Failing to Complete or Submit to Any Required Test

To the extent permitted by law, the Company will deny employment to applicants who refuse to take any required drug test or fail to complete it after it is assigned.

To the extent permitted by law, employees who refuse to take any required drug test or fail to complete the test after it is assigned will be subject to discipline, up to and including termination.

### Consent to Drug Testing

Any applicant or employee subject to testing under this policy will be asked to sign a form acknowledging the procedures governing testing and consenting to (1) the collection of a sample for the purpose of determining the presence of alcohol or drugs, and (2) the release to the Company of medical information regarding the test results. To the extent permitted by law, refusal to sign the agreement and consent form, or to submit to the drug test, will result in the revocation of an applicant's job offer, or will subject an employee to discipline, up to and including termination.

### Reporting Known Use

Each Company employee is responsible for reporting any known illegal use, sale, possession, manufacture, or distribution of alcohol, drugs or controlled substances, or drug-related paraphernalia in violation of this policy to his or her supervisor or to the Chief People Officer or the Chief Operating Officer. Supervisors will report the incident to the Chief People Officer or the Chief Operating Officer for further investigation.

### Use of Illegal Drugs

The Company understands that employees may be prescribed legal drugs or take over-the-counter medication that may result in impairment. Nothing in this policy is intended to prohibit the legal use of over-the-counter medication. Individuals who take over-the-counter medication or other lawful medication that can be legally prescribed under both federal and state law to treat an illness or injury should inform their manager if they believe the medication will impair their job performance, safety, or the safety of others or if they believe they need a reasonable accommodation before reporting to work while under the influence of that medication. An individual should not report to work if he or she is so impaired. Individuals may use sick leave or vacation time for the absence. Additionally, employees should reach out to HR or their supervisor to determine whether or not they qualify for an unpaid leave of absence. The Company is committed to reasonably accommodate qualified disabled employees.

### Searches and Inspections of Personal Effects

To protect employees, clients, and Company from theft, and to ensure the Company's policies prohibiting misconduct including the possession or use of drugs, alcohol, firearms, explosives, or other improper and/or dangerous weapons, materials, and substances, Company reserves the right to require employees on Company or client property to agree to the search and inspection of their person and their personal property (i.e. vehicles, clothing, packages, purses, brief cases, lunch boxes, or other containers brought to the workplace) as well as their lockers, storage areas, file cabinets, desks, and work stations. The cooperation of all employees is required in administering this policy.

### **Workplace Violence**



Kearney is committed to preventing workplace violence and maintaining a safe work environment. Given the increase of violence in society in general, the Company has adopted the following policy to deal with intimidation, harassment, or other threats of and/or actual violence that may occur during business hours or on its premises. Employees who violate this policy may be subject to disciplinary action, up to and including dismissal, arrest, and prosecution.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited on the Company premises without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age, or any characteristic protected by Federal, state, or local law. All threats of and/or actual violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. Any person engaging in threats of and/or actual violence will be removed from Company premises as quickly as safety permits. Individuals who have been removed from Company premises shall remain off the premises pending the outcome of Company and/or criminal investigations.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. No employee will be retaliated against for reporting any threat or perceived threat.

Kearney will promptly and thoroughly investigate all reports of threats of and/or actual violence, and suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation. The Company may also, at its option, discipline or terminate the offending employee(s), terminate or suspend business relationships with the offending employee(s), reassign job duties, or initiate criminal prosecution of the person or persons involved. No existing Company policy, practice, or procedure should be interpreted to prohibit decisions designed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing.

## **Employee Conduct**

What sets Kearney apart from other firms is the quality of its employees, the exceptional service it provides to its clients and employees, its attention to detail, and commitment to do things right. Your conduct and performance attribute to the overall impression of the Company. Your business conduct should always be professional, courteous, prompt, and helpful to clients.



In the event that you are sent back from a client site for reasons deemed objectionable by a supervisor or client, you will generally receive **one warning** and be advised that any future complaints by supervisors or clients will result in disciplinary action, up to and including termination of employment. The Company reserves the right to impose discipline not in accordance with this policy if it determines such discipline is necessary.

### **Discipline for Improper Conduct**

Employee common sense is the best guide to proper conduct. However, sometimes action is necessary for the purpose of improving undesirable behavior and preventing a recurrence of that behavior. The following steps will generally be followed to ensure that Company rules and policies will be enforced fairly and consistently. The Company reserves the right to impose discipline not in accordance with this policy if it determines such discipline is necessary.

#### Step 1 - Verbal Warning

The Director of Human Resources or a Partner will discuss with the employee the problem that has occurred, review the facts of the case with the employee, and attempt to explain what was done wrong and what could have been done instead. The employee will be told that further corrective action will be considered if another violation occurs.

#### Step 2 - Discharge

The employee may be separated from the Company.

At management discretion, employees may be separated from the Company after verbal warning or without prior discipline. Nothing in this policy provides any contractual rights regarding employee discipline or counseling, and this policy in no way shall be read as modifying the at- will employment relationship between the Company and its employees.

### **Employment at Will**

Employment is not offered, contracted, or promised for any specific length of time. Employees have the right to leave Kearney at any time, and Kearney has the right to terminate the employment relationship for any reason and at any time, with reasonable notice.

### **Safety in the Workplace**

It is Kearney's intention to provide a safe and healthful workplace for all employees, customers, and visitors. Employees are expected to obey safety rules and encouraged to discuss them with their supervisor.

If an accident occurs on Company property, no matter how insignificant the injury may appear, employees should immediately notify a supervisor. Reports are required in order to comply with laws and insurance regulations, as well as workers' compensation procedures.

**Texting and Driving**

In keeping with Federal Acquisition Regulation (FAR) 52.223-18, Encouraging Contractor Policies to Ban Text Messaging While Driving, Kearney urges its employees to practice the utmost care and responsibility by not texting while driving, in traffic, or at a stoplight or stop sign, and by limiting the number of distractions while operating a motor vehicle. Kearney's employees are reminded to NEVER text and drive when using a Government vehicle, or when traveling on Government business; employees are also encouraged to practice safe driving in their personal lives as well. Careful driving is a civic duty, and Kearney recommends that its employees use caution and common sense when on the road.

**Tobacco Free Policy**

Kearney is committed to providing a safe and healthy environment for our employees, clients, and visitors. In keeping with this philosophy, we have chosen a tobacco-free work environment. This policy includes any tobacco products and the use of smokeless or "spit" tobacco and applies to both employees and non-employee visitors of our business. Smoking and the use of all tobacco-related products, including but not limited to, smoking, the use of chewing tobacco and the use of e-cigarettes, is strictly prohibited inside the building or anywhere on Kearney property at any time. The definition of Kearney property for the purpose of this policy includes the interior of all buildings and structures where an employee is engaged in Kearney business. Tobacco use shall be permitted only at a reasonable distance outside any enclosed area or in designated areas to ensure secondhand smoke does not enter the building through entrances, ventilation systems or by any other means. If employees are engaged in work outside of Kearney facilities but associated with the Company, employees are expected to adopt client, Government, and other business' tobacco policies when working in those facilities. Failure to comply with this policy may lead to disciplinary action up to, and including, termination.

**Use of Company Resources**

The kitchen is equipped with coffee makers, microwaves, a toaster oven, dishwashers, and refrigerators. Employees using the kitchen are responsible for its upkeep. Employees are responsible for their own dirty dishes, glasses, and cups. The copiers, fax machine, and shredder in the workroom are intended for Company use only.

**E-Mail Signature Policy**

Your signature is a critical part of your professional business image. It is important for a wide variety of reasons, including communication with clients/external contacts and certification specific requirements, for all Kearney employees to include a consistent and similar signature. Kearney is implementing a new e-mail signature policy to standardize all employees e-mail signatures. Effective immediately, please use the following guidelines to make the necessary

changes to your company e-mail signature. We appreciate your understanding and compliance with these changes.

Please contact HR by submitting a case through Kearney Connect should you have any questions about signature requirements.

**All employee signatures should include the following:**

- Employee Name (Required)
- Company Name (Required - Include full name “Kearney & Company”)
- Company Address (Required)
- Company Phone Number (Required)
- Company E-mail Address

**Text characteristics requirements:**

- Font: Times New Roman
- Font Size: 12
- Font colors: Dark blue or black
- No bold or cursive text

**Acceptable extras include:**

- Cell phone number
- Direct fax number
- On-site contact number
- Preferred gender pronouns
- Kearney & Company logo (approved by Marketing Department)
- Kearney award logo (approved by Marketing Department)
- Department (if applicable)
- Social Media icons, specific to Kearney, including LinkedIn, Twitter, Facebook, and Instagram.

**Do not include:**

- Certifications (ex: CPA, CGFM) – There are multiples rules for the appropriate usage of certification titles. In order to ensure we meet all guidelines; Kearney asks that employees remove certification titles from their signatures
- Position/Title
- Inspirational or professional quotes
- Your phone extension
- Personal email addresses
- Personal websites.

**Acceptable Employee Signature Examples:**

Jason Lewis | Kearney & Company | [Jason.Lewis@kearneyco.com](mailto:Jason.Lewis@kearneyco.com)

1701 Duke Street | Suite 500 | Alexandria, VA 22314 | Ph: (703) 931.5600 | Fax: (703) 931.3655

**Acceptable Employee Signature Examples:**

Jennifer Crawley  
Kearney & Company  
1701 Duke St., Suite 500  
Alexandria, VA 22314  
Ph: 703-931-5600  
Fax: 703-931-3655  
[www.kearneyco.com](http://www.kearneyco.com)  
[jcrawley@kearneyco.com](mailto:jcrawley@kearneyco.com)

**Unacceptable Employee Signature Examples:**

Thomas Sanders

Alexandra Shepherd

Travis Hurley, CGFM

To change your signature in Microsoft Outlook, please use the following instructions:

Tools tab → Options → Mail Format tab → Signatures

**IT Policies**

The Company's IT policies can be found in Kearney Connect Library, titled [IT Policies](#).

**Social Media Policy**

Kearney & Company maintains a social media presence and encourages employees to partner with the Firm for the benefit of each employee and the Company. It is, however, our duty to put policies in place that protect Kearney from the unauthorized disclosure of information. As such, Kearney & Company's Social Media Policy includes the following rules and guidelines that apply to all employees:

- Be truthful and respectful
- Use discretion and your best judgement when posting about Kearney during work hours
- Kearney honors diversity so do not post any discriminatory language or offensive material
- Protect all confidential information; under no circumstance should any sensitive or client information be posted on social media
- Do not make negative comments about clients or competitors
- When promoting the Company, follow Kearney's branding guidelines when using the Company logo.

## General Provisions

For the purpose of the Company's Social Media Policy, social media includes, but is not limited to:

- Personal written or video blogs
- Platforms such as Facebook, Twitter, LinkedIn, Instagram, Tumblr, Snapchat, YouTube, Periscope, Anchor etc.
- Podcasts
- Any other form of social media not affiliated with Kearney.

Whether or not you choose to include "Kearney & Company" as your employer on your social media pages, customizing your privacy settings on all social media platforms to determine who can see your posts and network/connections is critical to your safety and to ensuring your information is protected.

In order to protect you and the Company, we recommend adding the following statements to the bio/about section of your social media profiles:

- "Opinions expressed are solely my own and do not express the views or opinions of my employer."
- Retweets ≠ Endorsements (For Twitter)

Unless specifically instructed, employees are not authorized to speak on behalf of Kearney. Employees may not publicly discuss Kearney clients or any confidential or proprietary information outside of company-authorized communications. Employees are expected to protect the privacy of Kearney, its employees, and clients.

Employees are prohibited from disclosing personal employee or non-employee information, and/or any other proprietary and non-public information to which employees have access. Such information includes, but is not limited to: client information, trade secrets, financial information, and strategic business plans.

## Employer Monitoring

Your postings can be reviewed by anyone, including Kearney. The Company reserves the right to monitor comments or discussions about the Company, its employees, clients, and/or industry. Kearney reserves the right to use search tools and software to monitor all social media pages, personal blogs, podcasts, and forums of all employees. Employees should have no expectation of privacy while using company IT services, equipment, or facilities for any purpose.

## Reporting Violations

Kearney strongly urges employees to report any violations or possible or perceived violations to the Kearney Ethics Officer, a supervisor, manager, and/or the HR Department. Violations may include discussions about Kearney clients, discussions including confidential or proprietary information, and/or any unlawful activity related to social media.

### Discipline for Violations

Kearney will investigate and respond to *all* reports of violations of the social media policy and other related policies. Violation of the Company's social media policy may result in disciplinary action up to and including immediate termination. Discipline or termination will be determined based on the nature and factors of any social media-related post. Kearney reserves the right to take legal action where necessary against employees who engage in prohibited or unlawful conduct.

### Authorized Social Media

When using social media or other web-based platforms, Kearney must ensure that the use of these communications maintains its brand identity, integrity, and reputation, while minimizing actual or potential legal risks, whether used inside or outside of the workplace.

### Rules and Guidelines

The following rules and guidelines apply to social media and blogging when authorized by the employer and done on company time. The rules and guidelines apply to all employer-related blogs and social media entries, including employer subsidiaries or affiliates. Only authorized employees can prepare and modify content for Kearney's social media entries located on any social media resource. Content must be relevant, add value, and meet at least one of the specified goals or purposes developed by Kearney. If uncertain about any information, material, or conversation, please discuss the content with your manager. Any copyrighted information for which written reprint information has not been obtained in advance **cannot** be posted on Kearney's social media channels.

HR is responsible for ensuring that all social media information complies with Kearney's written policies. HR is authorized to remove any content that does not meet the rules and guidelines of this policy or that may be illegal or offensive. Removal of such content will be done without permission of the employee or advance warning.

### Prohibition on use of TikTok App

TikTok (a software application owned and operated by ByteDance Limited, a privately held company headquartered in Beijing, China) is expressly prohibited from use at Company. Federal Acquisition Regulations prohibit contractors from having or using TikTok on any information technology owned or managed by the Government, or on any information technology used or provided by a contractor under a contract, including equipment provided by a contractor's employees.

It is Company's policy to prohibit the installation of and/or access to TikTok on any information technology device regardless of whether the device is owned by the Government, the Company, or the Company's employees (e.g., employee-owned devices that are used as part of an employer bring your own device (BYOD) program). Mobile devices that are enrolled in Intune will be unable to access Kearney data if they have TikTok installed on that device.

A personally-owned cell phone that is not used in the performance of a Government contract is not subject to the prohibition.

### Personal Social Media Usage

Kearney respects the right of employees' use of social media sites and does not discourage employees from self-publishing and self-expression. Employees are expected to follow the guidelines/policies set forth to provide a clear line between you as the individual and you as the employee. Social media users are personally responsible for their commentary on social media sites. Social media users can be held personally liable for commentary that is considered defamatory, obscene, proprietary, or libelous by any offended party, not just Kearney.

Employees may not use social media sites to harass, threaten, discriminate, or disparage against employees, individuals associated with or doing business with Kearney, or anyone else online. Kearney encourages employees to honor the differences of users online and does not tolerate any form of discrimination (including age, sex, race, color, creed, religion, ethnicity, sexual orientation, gender identity, national origin, citizenship, disability, or marital status).

If you choose to identify yourself as a Kearney employee, please understand that some readers may view you as a spokesperson for Kearney. Because of this perception, we ask that you state that *the views expressed in your blog or social media area are your own and not those of the Company nor of any person or organization affiliated or doing business with Kearney.*

If contacted by the media or press about their post that relates to Kearney business, employees are required to speak with General Counsel and/or the Chief People Officer before responding. If you have any questions relating to this policy, your personal blog, or social media, please contact the Chief People Officer.

### Salesforce Chatter, a Kearney Intranet Collaboration Tool

Chatter is a powerful Salesforce tool used to collaborate at work with Kearney employees. Because status information about people and important projects is automatically pushed to you through Salesforce, Chatter makes it easy to connect with people and information you care about and need most. The use of Salesforce and Chatter is permitted during and after business hours; however, should not conflict with client and/or company priorities, deliverables, and deadlines. Chatter will be implemented, closely administered, and monitored by a Kearney team including Company trained Salesforce experts, Human Resources, and the Chief Operating Officer. Please direct all questions and needs to [Salesforce@kearneyco.com](mailto:Salesforce@kearneyco.com) and/or [Intranet@kearneyco.com](mailto:Intranet@kearneyco.com).



### ***Gaining Access to Chatter***

Employees will gain access to Chatter when joining Kearney and participating in New Hire Orientation. An Intranet Administrator will meet with each new hire to introduce and familiarize them with Salesforce, Chatter, and the Intranet. At that time, the new hire will gain the appropriate information in order to login and begin using Chatter. Chatter should be used with newer browsers. Safari, Firefox, and Chrome are recommended as the most compatible browsers. Chatter will NOT work with Internet Explorer 6. Chatter usage on mobile devices is permitted for professional, work, and Kearney purposes.

### ***Setting up your Chatter Profile***

As a best practice, prior to utilizing Chatter, new users must complete their profile and upload a professional photo. A professional photo includes a photo of the employee only and projects a professional image, even if the photo is not a professional headshot. The profile should be updated by employees on a regular basis to reflect the most up to date professional and contact information.

### ***Using Chatter***

Chatter should be utilized to communicate with individuals, teams, and/or groups of Kearney employees. Chatter offers employees the option to communicate directly to an employee or to a group of employees through messaging and an ongoing feed. If you make a post on a record, only users who have full or read access to that record can see your post. To communicate with a group of employees, a Chatter group must be established by a group owner by contacting [Salesforce@kearneyco.com](mailto:Salesforce@kearneyco.com). Employees who wish to join groups must receive approval from the group owner to be actively participating in that particular group. If a public group is created, anyone can join, and posts can be seen by whoever views the group. Posts made in a private group can only be seen by members who have been added by the group owner. Employees should not pursue companywide communication via Chatter. If a companywide communication is necessary, employees should contact Human Resources, but submitting a case through Kearney Connect, to establish and make plans for this communication.

Chatter posts, like any other data in Salesforce, are stored forever unless deleted by an administrator or a user. Only users can delete their own posts or Chatter wall items. Kearney Administrators who have complete access to Salesforce can also delete posts in Chatter.

*Please see **APPROPRIATE** Chatter posts below:*

- “Check out this new report from AICPA.” You will want to attach the file to the post in this case
- “Anyone have experience with HIPAA compliance?”
- “Have you connected with Jill? She’s an A-123 guru and can probably help answer your



questions”

- “14 days until the close of busy season. Go team! Keep up the fantastic work!”

*Please see **INAPPROPRIATE** Chatter posts below:*

- “Was out late last night; don’t think I’ll get much done today.”
- “Check out the view from my new apartment.”
- “X Company who we are subbing to does not seem to care about the work we are doing.”
- “The person in the cube next to me talks way too loud and drives me crazy.”
- “Anyone see last night’s episode of The Bachelor?”

*The following guidelines apply to the use of Salesforce Chatter:*

- Do utilize Chatter for professional, work, and Kearney related communication
- Do be aware of the potential perceptions from clients and vendors when utilizing Chatter
- Do participate by asking and answering questions and sharing information
- Do keep posts brief
- Do post rather than send a “low-priority” email
- Do use Chatter to address a wider audience such as a group and get feedback
- Do use groups rather than email distribution lists for collaboration
- Do post files instead of emailing attachments
- Do think about who can see your post (anyone who is following a person or a record can see its Chatter posts)
- Do not download Salesforce/Intranet/Chatter on a Government issued computer
- Do not use Chatter to replace an in-person conversation
- Do not utilize inappropriate, unprofessional, or foul language
- Do not offer or use Personally Identifiable Information (PII) about yourself or anyone else
- Do not let Chatter interfere with work and/or client priorities
- Do not post confidential information on profiles or public groups.

Please direct all questions, needs and concerns to the Kearney Salesforce/Intranet/Chatter team [Intranet@kearneyco.com](mailto:Intranet@kearneyco.com) and/or [Salesforce@kearneyco.com](mailto:Salesforce@kearneyco.com).

## **The Intranet**

The Kearney Intranet is a resource to facilitate communication and assist in sharing information with you in a more convenient and consistent manner.

- The Intranet site is a private network available for viewing only by Kearney employees
- Employees will login to the Intranet each day to access Deltek, HR documents, and important announcements
- Event and sporting ticket raffles, newsletters, and employee classified ads are featured on this site.

All employees may access the Intranet using the following link:  
<https://kearneyco.my.salesforce.com/>.

Access to these this website will be provided at employees' New Hire Orientation.

If you have questions regarding Salesforce or access to the Intranet, please contact [salesforce@kearneyco.com](mailto:salesforce@kearneyco.com).

If you experience any technical difficulties related to either website, please email [ITSupport@kearneyco.com](mailto:ITSupport@kearneyco.com).

## **Breaks**

There are no set break times. Employees should be conscious of workload, telephones, and others when taking a break.

## **Personnel Files**

All employee files are the property of Kearney. In protecting the privacy of our employees, information contained in these files will be released on with the approval of the Chief People Officer or the Chief Operating Officer. An employee must provide a written request to HR to review or obtain items from their personal file. The Chief People Officer or the Chief Operating Officer will provide the file within 30 days of the request. A reasonable fee may be charged to make the documents available to the employee.

## **III. GETTING PAID**

### **Attendance and Punctuality**

Attendance and punctuality are important factors for your success at Kearney. We work as a team and this requires that each person be at work on time on a consistent basis. If you are going to be late or absent, you must notify your supervisor before the start of your workday. If you are absent without notifying your supervisor, you may be subject to disciplinary action, up to and including termination of employment. If you are absent for three (3) days without notifying Kearney, it will be assumed that you have voluntarily resigned your position and your employment will be terminated.

Tardiness, in arrival time and returning from lunch, and absenteeism will reflect in your overall performance. Excessive tardiness and/or absenteeism can result in disciplinary action.

### **Payday**

Kearney's workweek is Sunday through Saturday. The workday is 8 hours (8:30 to 5:30), 40

hours weekly. Eligible exempt employees may be paid straight time for approved extra time, or at the employee's option, receive comp time (for hours worked in excess of 40). If an employee is carrying advance leave balances, any time that would be paid as extra time must be used first to pay off the negative balances before being used. Employees are paid every two weeks on Friday for work performed from the previous two weeks. Time sheets must be completed on time in order to ensure proper entry in the payroll system.

Any hour that a non-exempt employee works over 40 hours in a work week is considered overtime. Non-exempt employees are not permitted to work overtime except with the express written approval of a manager. Overtime is paid at one and one-half times an employee's regular hourly rate of pay. Overtime pay is based upon the actual number of hours worked during a work week. Sick leave, vacation leave, or any unpaid personal leave will not be considered hours worked for purposes of overtime calculations. Non-exempt employees should clock out for their meal break so long as the break is more than 30 minutes, and they are completely relieved from duty. If an otherwise unpaid break is interrupted, and the break becomes less than 30 consecutive minutes, the employee and/or the supervisor should edit the timesheet so that the entire break is paid.

### **Time Sheet Instructions**

In accordance with Defense Contract Audit Agency (DCAA) regulations, your time must be recorded on a daily basis. If the system is not available, the time should be recorded manually until the system is restored. The hours should be transferred at that time.

- Access Deltek through the Kearney Intranet Site, <https://kearneyco.my.salesforce.com/>, under the Quick Links section of the Home page
- Enter your user name, which is the first four letters of your last name followed by the last four digits of your social security number. A temporary password will be emailed to you
- Click on "Timesheet" on the left side of the screen
- Make sure you are in the correct week to record your time. If not, click on the arrow next to the timesheet date on the right side of the screen
- To record your billable time, click in the first cell under the "Project" column, then click on the binoculars. Select "Direct Project," then select the correct project heading, and finally the correct project. Highlight the project and click on "Add to Timesheet." Please remember it is the employee's responsibility to notify the Accounting Department ([timesheets@kearneyco.com](mailto:timesheets@kearneyco.com)) immediately if you move to a different project in order for the new project to be added. You will only have access to the jobs you have been assigned to in the Deltek system
- Enter your hours under the proper day. If your project requires timesheet notes, click on the icon inside the hours cell and enter your notes
- If you have vacation, sick, comp, jury duty (which cannot exceed 40 hours), bereavement, or holiday time to record, click in the cell under the "Account" column on the first blank line then click on the binoculars. Click on the "leave" charge group. Select the correct leave type and select "Add to Timesheet"
- "Admin" time, "Unassigned" time, and "Continuing Professional Education" (CPE) time

will be found under the “Account” column under “Indirect Charges”

- **ALL “admin” and “unassigned” time requires a note** with a description of how your time was spent, and must be approved in advance by a Partner. To add a note, double click in the cell where the hours are recorded and a box will pop up to enter your note. Be sure to start the note with the date and hours that it describes.

#### *CPE Time:*

- When recording CPE time, please include a note specifying the class that you took, along with the amount of credit hours permitted for that specific class
- You may not charge in excess of the actual amount of credit hours. For example, if the CPE class permits eight credit hours and it takes you 16 hours to finish the class, you may only enter the eight hours as CPE. If you are unassigned at the time and work on the course in the office, you can charge the balance of the time it actually takes to complete the course to “Unassigned”
- You may not charge for hours not actually spent by you in completing the course. For example, if the CPE class permits eight credit hours and it takes you four hours to finish the class, you may only charge the four hours. You still earn the full eight hours of credit, but you will only be paid for the time it actually took to complete the course
- You cannot go over 40 hours in a week with CPE time unless it has been pre-approved by a supervisor.

#### *Comp Time:*

- When recording comp time, enter ALL hours worked on the project
- On a separate comp line, enter any approved extra hours you wish to bank as a negative number
- When you take the comp time, record it as a positive number
- If you are a full-time employee, make sure your hours equal at least 40
- Tip: Once you have entered time for the first time you can save lines that you will be using regularly in your “Favorites.” This enables you to quickly find the charges that you use frequently.

#### *Time Sheet Submission:*

- You must sign your completed timesheet no later than noon on Sunday for the preceding week. You are required to update your timesheet daily and sign no later than Sunday at 12:00pm EST
- **REMEMBER TO SIGN YOUR TIMESHEET**
- If you have any questions or problems, please contact [Timesheets@kearneyco.com](mailto:Timesheets@kearneyco.com)
- If you have been setup as a Timesheet Group Supervisor, please make sure that you approve the employees within your timesheet group. Please make every effort to approve timesheets by close of business on Friday. Timesheets must be approved by supervisors no later than the end of the day on Sunday
- If you are having a problem or accessing Deltek, please email

[timesheets@kearneyco.com](mailto:timesheets@kearneyco.com)

- If you cannot log into Deltek and cannot send an email, it is your responsibility to ensure the Accounting Department receives your hours by telephone or fax no later than 10:00am on Monday
- Timesheets are processed on Monday. Do not make any changes to your timesheet after noon on Monday without talking to the Accounting Department first
- If you discover a mistake on a prior timesheet, please contact the Accounting Department after you make the correction.

## **Recording Administrative and Leave Time**

When recording more than 40 hours on your timesheet and/or recording comp, admin, or leave time, please look closely at how you recorded the time, making sure you follow these guidelines.

### *Unassigned and Admin Time:*

- An employee may not receive extra time (hours worked in excess of 40) in any given week where unassigned time was recorded without prior approval from a Partner
- If you have unassigned time, CPE classes or self-study, and/or admin time on your timesheet, you must add notes explaining how the time was spent.

### *Assigned Time and Sick/Vacation Leave:*

- If your billable hours are greater than or equal to 40 hours and you are sick or have a doctor's appointment, it is not necessary to use sick leave. For instance, if you are sick on Monday, but work 10 billable hours each on Tuesday through Friday, you do not need to record the eight hours of sick leave for Monday because it would bring your total hours for the week to 48
- You may not use vacation or comp time if you already have 40 billable hours recorded
- You may not record sick leave or vacation hours and bank comp time in the same week. Otherwise, you are transferring hours from sick or vacation to comp time, which is not permitted.

## **Travel Time**

Time spent traveling during normal Kearney business hours (Monday – Friday, 8:30 am – 5:30 pm) is chargeable. Where applicable, travel time will be chargeable in accordance with the terms and conditions of the contracts Kearney maintains with its clients. As a general rule, the time you spend traveling is not billable to a client. However, if you work while you are traveling, then the work you do during this time may be billed to the appropriate client or charge code. If travel time reimbursement is permitted in the contract, it will be reimbursed. This determination shall be made on a contract by contract basis.

## **ADP iPayStatements**

ADP iPayStatements, a benefit that allows you to view your earnings statements online and take advantage of useful tools such as a paycheck calculator and W-4 assistant, is available to you. You are also able to print copies of your W-2 statement from ADP iPayStatements once they are available. Please remember that if you have direct deposit, both your paycheck and expense reimbursement checks will be deposited into the bank account(s) you selected.

Please contact [payroll@kearneyco.com](mailto:payroll@kearneyco.com) for more information, or if you have questions about ADP iPayStatements.

*How to Register on ADP iPayStatements:*

1. Go to <https://paystatements.adp.com>
2. Click on "Register Now"
3. Enter the following Self Service Registration Pass Code: KEARNEYCO-LIMITED
4. Enter First name, Last name, and social security number (twice)
5. The system will display your User ID which will be your first initial and last name @kearneyco.com
6. Choose password and confirm it
7. Select three security questions and answers
8. Enter contact information:
  - a. The system will automatically have your Kearney email, confirm that this is correct (if it is not correct fix it but also tell the payroll department so we can change the official ADP file)
  - b. You can enter a personal email address if you want- this is optional
  - c. You can also give a cell phone if you want to receive notifications by text- this is also optional.
9. An email will be sent to you with an activation code. You cannot complete the setup until you receive the activation code
10. Enter the activation code into ADP
11. The final screen will show you all of your choices including security questions and answers and contact information. Double check everything. Click on Submit if everything is correct
12. Upon completing the registration process, you may access your pay statements at <https://ipaystatements.adp.com>
13. You should log on to be sure it works
14. If you have any questions or problems contact the payroll office by phone or email [payroll@kearneyco.com](mailto:payroll@kearneyco.com).

#### **IV. WHAT IS EXPECTED OF YOU**

##### **“No Comment” Policy**

Information that is considered classified by the U.S. Government, may, on occasion, appear in

the public domain, in print, or in broadcast media reports. However, the appearance of such information in open sources does not automatically make it unclassified. You must ensure that the following precautions are met:

- The information is not used or referred to in an unclassified setting
- Do not make comments regarding the accuracy, classification, or technical merit of such information
- Exercise due care when discussing such information, even among fellow workers who may not possess the required clearance and/or need to know
- If such information is classified, that fact itself must be protected as classified information
- Questions raised about open-source information that is considered classified by the U.S. Government must be responded to with “no comment.”

Please direct any questions regarding this policy to Kearney’s General Counsel, Erika Steininger.

### **Personal Appearance**

As representatives of Kearney, employees must reflect an appropriate business image to customers and visitors. Kearney relies on employees to use their best judgment to wear the most suitable attire for their workday. Employees are permitted to wear business casual clothing (including jeans) when they are not interfacing with clients, vendors, company executives, or the like. The expectation is that employees will wear clothing appropriate for the nature of the business and type of work being performed. Client site dress codes precede the Kearney policy, where applicable. Traditional business attire is always acceptable, and leadership may require specific professional business dress for meetings or events.

Clothing not considered appropriate on any job site or Kearney headquarters:

- Sweatpants
- Exercise apparel, including tennis shoes
- Shorts
- Ripped pants of any kind
- Low-rise pants
- Flip-flops, beach shoes or casual sandals
- Slippers
- Construction boots
- Hunting apparel
- Tank tops.

In addition:

- Shoes must provide safe, secure footing, and offer protection against hazards
- Hairstyles should be kept clean and professional in appearance



- Mustaches and beards must be clean, well-trimmed, and neat
- Offensive body odor and poor personal hygiene is not professionally acceptable
- Jewelry should not be functionally restrictive, dangerous to job performance, or excessive.

### **Jewelry and Tattoos**

Kearney & Company expects all employees to exercise appropriate judgment regarding personal appearance, dress, and grooming. Kearney supports personal appearance through self-expression and encourages appropriate employee appearance, specifically regarding jewelry or tattoos worn as personal choice.

In keeping with this approach, Kearney allows reasonable self-expression within the following guidelines. Factors that management will consider in determining whether jewelry or tattoos may pose a conflict with the employee's job or work environment include:

- Personal safety of self or others, or damage to company property
- Productivity or performance expectations
- Offensiveness or harassment to co-workers, clients, vendors, or others in the workplace based on racial, sexual, religious, ethnic, or other characteristics or attributes of a sensitive or legally protected nature
- Corporate or societal norms
- Client, vendor, or employee complaints.

In the case that an employee's jewelry or tattoos do not meet company guidelines, the employee will be encouraged to identify alternative options, such as removal of excess or offensive jewelry, covering of tattoos, or other reasonable means to resolve the conflict. If an agreeable solution cannot be reached after this stage, Human Resources will follow company procedures to resolve the issue.

Continued violations of this policy may result in discipline, up to and including termination. Questions regarding this policy or those seeking a potential exception due to religious or medical reasons, should contact a member of the Human Resources team.

### **Inclement Weather Policy**

In the case of inclement weather, Kearney follows the Federal Government's direction announced by the Office of Personnel Management (OPM) in determining whether or not the office will be open or closed. However, when the Federal Government is on a delayed operating status, employees will be expected to make up the time missed which was used to get to the worksite in a safe manner. Please review the details below associated with Federal Government closure and delayed operating procedures. If you have questions about this policy, please contact the HR Team by submitting a case through Kearney Connect.



### Federal Government Closure Procedures

If the Federal Government is closed, Kearney's office is closed as well. Per that policy, individuals that are approved to work outside of the office or who are working outside of the affected geographical area(s) are not covered by the Federal Government closure. These individuals should charge time to the engagement(s) to which they are assigned.

In addition, Kearney employees must modify the way they charge time on days that Kearney is closed due to inclement weather. **First**, if an employee is assigned to an engagement and is required to work from the office or a client site, he/she must check with his/her immediate supervisor to see if it is acceptable/permissible to work from home. **Second**, if an employee is unable to work from home, the office, or client site, and is required to maintain CPE for the year but has not fulfilled the annual requirement, the employee must utilize self-study material, Becker, and/or Percipio to work toward fulfilling the mandatory CPE requirement. This time should be charged to the CPE code. **Third**, if an employee is unable to work from home and has already fulfilled his/her CPE requirement for the year, then he/she may charge time to the Federal Government closure code. Similar to other leave benefits, Federal Government closure may not be used to increase an employee's hours for a week over forty (40).

### Federal Government Delayed Operating Procedures

When the Federal Government is on a delayed operating/early departure status, Kearney permits employees to follow the delayed timeframe announced, as needed, to arrive safely. However, this does not mean that Kearney is opening late and/or closed for the announced period of time. It means that if an employee needs additional time to get into the office or home safely, he/she can take the time and will not be considered late/leaving early. The employee will still need to make up the time or use leave to cover the time not worked. In other words, if an employee arrives two (2) hours late or leaves two (2) hours early, he/she will still be required to make up the two (2) hours for the delay. Similar to other leave benefits, Federal Government closure may not be used to increase an employee's hours for a week over forty (40).

### **Voting Policy**

All employees are strongly encouraged to vote in local, state, and/or national elections. If possible, employees should vote before or after regularly assigned work hours. However, when this is not possible, employees are permitted to take a reasonable amount of time during the work day to vote. Time utilized out of the office for voting cannot be billed to Kearney and should be taken in to account when completing timesheets.

### Election Leave

Employees who are chosen to serve as election officials at polling sites will be permitted to utilize vacation or comp time to serve in this capacity. It is critical for employees who are chosen to act as election officials to notify their manager a minimum of five business days in

advance of their need for time off in order to accommodate. Time engaged as an election official should be reported appropriately on timesheets.

## **Remote Employees**

Remote Employees are defined as those whose work location is 60 miles or greater from Kearney's HQ in Alexandria, VA; work out of their home; do not commute to a client site; and have been approved to work remotely. This does not include employees who are temporarily remote due to the Coronavirus Disease 2019 (COVID-19). The full Remote Employee Policy is available in Kearney Connect or may be requested directly through Human Resources.

## **V. YOUR PERFORMANCE AND ADVANCEMENT OPPORTUNITIES**

### **Continuing Professional Education (CPE)**

Employees are responsible for improving their own competencies and meeting CPE requirements.

This policy provides a uniform system for meeting CPE requirements. Kearney is responsible for tracking each employee's CPE requirement; therefore, employees must furnish the CPE administrator with certificates from outside and in-house training. **The employee is considered noncompliant until all certificates are received by the CPE administrator.**

#### 1. Requirements

##### ***1.1. Government Auditing Standards (Yellow Book)***

It is the Firm's policy that all professional (e.g., client delivery, non-administrative personnel [including non-CPA Partners and Principals and IT personnel]) staff comply with CPE requirements Government Accountability Office's (GAO) Government Auditing Standards (Yellow Book). It is also Firm policy that all professional staff maintain an adequate awareness and understanding of current developments in professional standards and that all professional staff assist in the training and development of staff under their supervision. **All professional staff are required to comply with GAO's Yellow Book standards.** Billable employees are permitted 60 hours annually when charging time for CPE training. Excess hours beyond the annual 60 CPEs will require prior approval from a direct manager and L&D.

***Guidance on Generally Accepted Government Auditing Standards (GAGAS) CPE Requirements, July 2018***

**You must complete:**

#### Requirements: General

**4.16** Auditors who plan, direct, perform engagement procedures for, or report on an engagement conducted in accordance with GAGAS should develop and maintain their professional competence by completing at least 80 hours of CPE in every 2-year period as follows.

CPE hours	Subject matter categories of CPE
24 hours	Subject matter directly related to the government environment, government auditing, or the specific or unique environment in which the audited entity operates
56 hours	Subject matter that directly enhance auditors' professional expertise to conduct engagements

**Auditors should complete at least 20 hours of CPE in each year of the 2-year periods.**

GAO's Yellow Book establishes exceptions for professional staff who do not perform any planning, directing, or reporting on a Yellow Book engagement, or who do not spend at least 20% of their time annually on Yellow Book engagements. **These individuals are not required to obtain an additional 56 hours of CPE to comply with the 80-hour requirement but must be identified via an [Exemption Waiver form](#).** Furthermore, internal staff and employees assigned to non-Yellow Book engagements may be exempted entirely from Yellow Book CPE requirements on a case-by-case basis by their respective Executive Vice President (EVP) or the Chief Operating Officer (COO).

### *1.2. Submitting CPE Certificates of Completion*

Approved CPE program providers will give you a certificate upon course completion. Kearney uses a paperless CPE tracking system; submit all CPE certificates and any supporting documentation (as needed) to [Prolaera via CPE Certificates>Add Hours](#). after completion of a training program. If the program CPE certificate does not formally note credit towards the 24-Hour requirement but the program topics are related – Send your CPE certificate, course syllabus, and a completed request form (found [here](#)) requesting alignment of credits to the 24-Hour category.

When submitting, please ensure your CPE certificate is in pdf format and has the required data points:

- Your name
- Course title
- Course date(s)

- CPE credit number
- Field of study and delivery format
- Training vendor name

### ***1.3. CPAs***

It is the employee's responsibility to submit updated copies of his/her CPA license to the CPE administrator after license renewal. Virginia CPAs are required to take 2 hours of ethics CPE each year. Kearney monitors this requirement. **The employee is responsible for submitting his/her ethics certificate to the CPE administrator before December 15<sup>th</sup> of each year.**

### ***1.4. Other Certifications***

Kearney monitors for GAGAS and CPA compliance by state. Kearney also monitors CPE compliance for Certified Government Financial Manager (CGFM), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), and Certified Information Systems Auditor (CISA) certifications. It is the employee's responsibility to submit a copy of his/her license to the CPE administrator to initiate monitoring.

### ***1.5. Contracted Employees***

Contracted employees will submit CPE records in accordance with engagement requirements including compliance with professional standards, e.g. Yellow Book, and contractual conditions.

## **2. Tracking CPE Credit**

### ***2.1. Compliance Period***

Kearney uses a rolling year measurement period to assess CPE compliance (e.g., 2010-2011, 2011-2012, 2012-2013, etc.). Employees must meet the CPE requirement within this period.

### ***2.2. Prorated Credit***

Billable new hires recently assigned to GAGAS engagements will complete a prorated amount of CPE hours based on the number of full, 6-month intervals remaining in the CPE period. Instead of the full 80 hours due on December 15<sup>th</sup>, new hires will complete less credits based on their start date during the two-year period. The prorated amount will appear in the employee record in the Prolaera Learning Management System (LMS).

### ***2.3. CPE Tracking and Monitoring***

Kearney uses Prolaera to track CPE records and compliance. Employees must furnish CPE certificates to [Prolaera via CPE Certificates>Add Hours](#).

When submitting, please ensure your CPE certificate is in pdf format and has the required data points:

- Your name
- Course title
- Course date(s)
- CPE credit number
- Field of study and delivery format
- Training vendor name

### 3. Professional Development Resources:

#### ***3.1. Yellow Book (Government Auditing/Environment) CPE Courses***

Kearney's online eLearning program, Becker, offers CPE courses that are available on demand and can be downloaded to take offline. CPE self-study courses are always available in the office and can be checked out from the CPE administrator. Other Ways to Obtain Yellow Book CPE credits:

- Attend internal training programs
- Attend conferences, conventions, meetings, seminars, etc. (with management approval).

#### ***3.2. Professional Proficiency CPE Courses***

Kearney's online eLearning programs, Percipio and Becker, offers CPE courses that are available on demand and can be downloaded to take offline. Please be aware that if you are a current employee, have registered to use Percipio, and have not logged in to the site for 12+ months, your registration will become inactive. Please contact the CPE administrator if you are not registered, if you have forgotten your password, or if you need to be reactivated in Percipio.

#### ***3.3. External Training and Development/Professional Memberships***

Employees at the Manager level or above are permitted to attend one off-site seminar, conference, or workshop annually that will be paid for by the Company. If the cost of the training/development activity is more than \$500, management approval must be obtained. The event to be attended must have a direct relationship to the job the employee performs. For work scheduling purposes, the employee's request for attendance must be received at least one month in advance of the event, and the employee's department manager must approve the request. Additional external training courses are subject to management's discretion.

Employees at the Senior Associate or Senior Analyst level are permitted to join one professional association and have membership fees paid for by the Company. For Managers and above, professional association fees are paid by Kearney related to the CPA and/or CISA. In addition to

the CPA and CISA, one additional membership will be paid for by Kearney. The association selected must have a direct relationship to the job that the employee performs.

Employees at the Associate and Analyst level who gain their CPA and/or CISA are also permitted to join one professional association and have membership fees paid for by the company.

#### 4. Employee Responsibility

##### ***4.1. Understand CPE Requirements***

If the employee does not understand the requirements listed in this policy, it is the employee's responsibility to contact the CPE administrator for further guidance.

##### ***4.2. Meet the Requirement***

It is the employee's responsibility to meet the CPE requirements listed in this policy.

##### ***4.3. Notify the CPE Administrator***

It is the employee's responsibility to forward copies of all certificates received to the CPE administrator via Prolaera via CPE Certificates > Add Hours. If the employee does not receive a certificate for a course, but would like CPE credit, it is the employee's responsibility to contact the CPE administrator to determine the appropriate actions to receive credit.

##### ***4.4. Accuracy of CPE Records***

It is the employee's responsibility to confirm that the CPE records kept by the organization are correct.

##### ***4.5 Accurate recording of CPE Time***

When recording CPE time in Deltek, please include a note specifying the course title, along with the amount of CPE-eligible credits awarded for that specific class.

You may not charge more than the actual amount of credit hours. For example, if the CPE class permits eight credit hours and it takes you 16 hours to finish the class, you may only enter the eight hours as CPE.

You may not charge for hours not actually spent by you in completing the course. For example, if the CPE class permits eight credit hours and it takes you four hours to finish the class, you may only charge the four hours. You still earn the full eight hours of credit, but you will only be paid for the time it took to complete the course. You cannot go over 40 hours in a week with CPE time unless it has been pre-approved by a supervisor

If you are unassigned at the time and work on the course in the office, you can charge the balance of the time it takes to complete the course to “Unassigned”.

#### ***4.6 Retention of CPE Records***

CPE records will be retained by the organization according to AICPA and NASBA guidelines. Records will be stored for the duration of an employee’s tenure and for a minimum of five years after an employee has terminated. In addition, employees should maintain accurate and proper reporting of the number of CPE credits they have earned along with evidence of participation such as CPE certificates.

### **FAQs**

**1. How do I know if I am required to follow the GAGAS CPE policy?**

Effective January 1, 2019, all billable employees are required to complete Yellow Book CPE requirements per Kearney’s requirements and Quality Control Document (QCD), unless formally exempted. If you perform work under GAGAS, including planning, directing, performing fieldwork, or reporting on an audit or attestation engagement under GAGAS, then you are required to follow GAGAS CPE guidelines and this policy.

**2. What qualifies as Yellow Book?**

The 24-hour CPE requirement includes subjects and topics directly related to the Government environment, Government auditing, or the specific or unique environment in which Kearney operates. Criteria for qualification should include the subject category topic(s), course syllabus, and your judgment. Typically, a program description and its CPE certificate will note award of CPE credits towards the NASBA field of study Accounting (Government) or Auditing (Government) or more broadly, Government Auditing/Environment (Yellow Book) category. If the program does not note award CPE credit towards the 24-Hour requirement, confirm if the topics qualify by reviewing the Subject Matter Categories of CPE section 4.23 found in the [2018 Yellow Book Section 4.23](#). For more guidance on Government Auditing standards, visit the following website: <http://www.gao.gov/new.items/d05568g.pdf>.

**3. I am a Kearney employee. What happens if I do not meet the CPE requirement?**

Failure to comply with GAGAS standards and the requirements listed in this policy will be noted in your employee file, discussed during your annual performance evaluation meeting, and will affect your annual rewards and recognition. This includes a written warning placed in your employee file, and one year of ineligibility for ticket raffles and referral bonus programs. A second failure to comply with GAGAS standards and the requirements listed in this policy may result in termination.

**4. I am a Kearney contractor. What happens if I do not meet the CPE requirement?**

Your agreement may be terminated immediately for cause.



**5. Where should I send my certificates?**

Employees must submit their CPE certificates and any supporting documentation via Prolaera via CPE Certifications > Add Hours after completion of a training program. If the program CPE certificate does not formally note credit towards the 24-Hour requirement but the program topics are related – Send your CPE certificate, course syllabus, and a completed request form requesting alignment of credits to the 24-Hour category.

**6. I attended an outside course but did not receive a certificate. What do I do?**

First, contact the course provider to find out if a certificate was issued. If not, forward the course name, provider, and contact information to the CPE administrator who will determine if you receive credit for the course.

**7. Where can I get a self-study book?**

Self-study books are kept by the CPE administrator.

**8. What resources are available to help me complete my CPE requirements?** Kearney offers a variety of training resources to help employees complete their CPEs. Numerous in-house trainings are offered throughout the year. In addition, Kearney offers self-study courses on Becker, Percipio, and AICPA.

**Kearney CPE Resources**

Kearney Training Toolkit	Source	Access
Live Training	Kearney Developed Courses	Employees can view scheduled trainings in <a href="#">Prolaera's Course Calendar</a> and the <a href="#">Learning &amp; Development Chatter Group</a>
	External Vendor Courses	
	Internal Certification Review Courses (CISA, CGFM, etc. )	
On Demand E-Learning	Western CPE – Yellow Book and Professional Proficiency CPEs	Site - <a href="https://kearneyco.prolaera.com/">https://kearneyco.prolaera.com/</a> User ID – Your Kearney Email Password: Your Kearney Password
	Percipio – Professional Proficiency CPEs	Site – <a href="https://kearneyco.percipio.com">https://kearneyco.percipio.com</a> User ID – Your Kearney Email Password – Your Kearney Password
	Webinars – VA Ethics and Yellow Book CPEs	View scheduled trainings in <a href="#">Prolaera's Course Calendar</a>
	CPEXpress – Yellow Book and Professional Proficiency CPEs	Limited number of licenses, please contact <a href="mailto:Learning@kearneyco.com">Learning@kearneyco.com</a> .
	ITU – IT certifications and Professional Proficiency CPEs	Limited number of licenses, annual Summer open enrollment. Contact <a href="mailto:Learning@kearneyco.com">Learning@kearneyco.com</a> .
CPE Compliance Monitoring	Prolaera – compliance tracking, CPE certificate submission and course registration platform.	Site – <a href="https://kearneyco.prolaera.com/">https://kearneyco.prolaera.com/</a> User ID – Your Kearney Email Password – Your Kearney Password



**9. What do I need to do to attend external training courses?**

For Associate, Analyst, Senior Associate and Senior Analyst employees, first contact the CPE administrator to get initial approval for the course. Next, contact your manager to determine if the course is relevant to your professional development. Once agreed upon, request the time off in writing, and submit it to your manager for approval. Contact the CPE administrator and include the training request, dates, and manager approval. The CPE administrator will contact you after the event is approved.

**Training No-Show Policy**

Employees unable to attend training courses or related events must communicate their absence (i.e., via telephone, e-mail, or in person) to their Manager and HR. If an emergency occurs and the employee is unable to contact his/her Manager or HR before the training course/event is scheduled, the employee must contact his/her Manager and HR within 24 hours. In the event that the employee fails to communicate his/her absence, the employee will be responsible for repaying 100% of his/her personal training costs.

**Performance Appraisal**

All employees are encouraged to prepare for career growth and promotion. Developing a plan for growth and following through with that plan is your responsibility. Your performance appraisal is an excellent time for you to evaluate your career goals and discuss them with your supervisor. However, you should review your progress and have discussions with your supervisor throughout the year. Be open to suggestions and constructive criticism. Take advantage of opportunities to learn something new about your job, Kearney, or the industry, and take advantage of opportunities to enhance your skills.

The object of a performance appraisal is to direct and improve future performance by evaluating an employee's efforts against previously agreed-upon goals and expectations, and prescribing an employee's future development needs on the job. The performance appraisal is an opportunity to motivate employees and stimulate renewed commitment from employees by communicating to them that their contribution is valued. Kearney's companywide Annual Performance Review process is conducted between the months of January and March each year. If appropriate, salary adjustments and promotions will occur in the final step of this process.

**Post-Engagement Review Policy**

A Post Engagement Review is required to be completed by employees at the end of each engagement on which they work **300 hours or more**. When an employee completes an engagement, HR will be notified by the Director of Resource Management in order for the Post Engagement Review to be launched in Kearney People. Similar to the annual performance review process, once the employee completes and submits the Post Engagement Review form, the supervisor will then have access to rate and provide feedback to the employee. When the supervisor has completed and submitted the Post Engagement Review form, the employee and

supervisor should meet to discuss the employee's performance and the contents of the review form.

While Resource Management and HR are taking an active role in this process, employees should be aware that they are ultimately responsible for ensuring all Post Engagement Reviews are completed in a timely fashion. Please keep in mind that annual performance appraisals are based largely on the information contained in Post Engagement Reviews. Therefore, it is imperative that these Reviews are completed in order to have the most accurate and comprehensive feedback. If you have additional questions about this process, please contact Human Resources by submitting a case through Kearney Connect.

### **Six Month Review**

All Kearney employees who start between November and April will complete a formal review process at the conclusion of their first six months of employment. All employees who start between May and October will have their six-month review rolled into the companywide performance review period, which occurs during the months of January through March, annually. The purpose of this evaluation is to assess the employee's new hire experience and introduce goal setting to our new employees after they have completed six months of work with Kearney. Although we understand that new employees need time to assimilate into Kearney, we want to ensure that they are introduced to the goal setting process early in preparation for their first annual performance review.

#### The Process:

- The employee receives notification with log-in information from Kearney People
- The employee completes and submits his or her self-evaluation
- The reviewer reviews the employee's self-evaluation and completes his or her appraisal of the employee
- The reviewer meets with the employee to discuss the evaluations (30-60 minutes)
- Both the employee and the reviewer acknowledge the meeting via Kearney People.

### **Performance Evaluation while on Unpaid Medical Leave, Long-Term Disability, Short-Term Disability or Unpaid Personal Leave**

If an employee's evaluation for salary review is due while on sick leave, unpaid medical leave, short or long-term disability, the evaluation or increase will generally be postponed until the employee returns from leave. The effective date of any salary adjustment will be determined when the employee reports back to work.

### **Unassigned (Bench) Limitation Policy**

The maximum length of consecutive time a billable employee may remain unassigned is 45 calendar days. The maximum total amount of time a billable employee may remain unassigned non-consecutively is 90 days within the span of 365 days. Standard workdays, Federal holidays,

weekends, and other leave (e.g., vacation), arranged while the team member is actively unassigned, are included in the calculation of total number of unassigned bench days. However, pre-approved leave (e.g., vacation time approved by a direct manager), arranged prior to being unassigned, will not be factored into the calculation. For consecutive assigned periods, there may be an exemption to this limitation. For strategic purposes, an Executive Vice President (EVP) may request a formal extension of a particular employee's unassigned or "bench" period. The request must be formally submitted to the Director of Resource Management and can extend the billable employee's unassigned period for up to an additional 45 days.

#### Exemptions:

- All billable Kearney team members at the Associate- and Analyst-level who have been employed by Kearney for less than 365 calendar days are exempt from this policy. Associates and Analysts are subject to the bench policy once they have completed their first year of employment with Kearney.
- Kearney team members who are expected to return to their audit engagement after the current Period of Performance ends are excluded from the bench policy during the audit off-season.
- Additionally, there is one strategic exemption to this policy. In the event a billable team member at the Senior Associate/Senior Analyst- through Senior Manager/Senior Consultant-level becomes unassigned (unless as the result of non-performance) and is identified as bid "Key" or "Committed To" a proposal/opportunity, that employee will remain in an "Unassigned, but Committed To" status for up to 30 calendar days from their last date of assignment, with Senior Partner(s)/EVP approval. Any additional period of time in the "Unassigned, but Committed To" status will require approval by the Chief Operating Officer (COO). If approved by the COO, then this status may continue for the period of time the COO authorizes. If not approved, then the employee will immediately return to "Standard Unassigned" status and begin the 45 calendar days of "Standard Unassigned" status.

Regardless of the unassigned status (i.e., "Standard" or "Committed To"), the employee will continue to be considered for any or all other projects they qualify for based on their level and qualifications. If another potential assignment is found and a conflict between potential assignments occurs, then the Director of Resource Management will request a status determination from the appropriate Senior Partner(s)/EVP to clarify whether the employee should

remain in the "Committed To" status or becomes available to onboard the other engagement. Every effort must be made by the team member, in cooperation with the Resource Management Team, to identify an appropriate billable project prior to or during the unassigned period. If the team member exceeds the unassigned or extended unassigned period limits, then the team member will no longer remain an employee of Kearney.

#### **Utilization Policy**

## Introduction

Kearney & Company, P.C. (Kearney) is dedicated to providing exceptional service to our employees and clients. The efficient utilization of our firm's single most valuable resource, our professionals, is critical to employee engagement and to our ability to successfully deliver on our promise to be the client's "First Easy Decision." An employee's ability to outperform our competition is the single biggest reason our clients rely on Kearney for solutions. As a firm, it is our collective responsibility to ensure we utilize our resources more efficiently, especially our most valuable ones. Timely and effective updates to the scheduled utilization, as well as communication with the Resource Management Office, is key to keeping a satisfactory utilization rate. This policy is an important tool to improve employee engagement and utilization of client-billable employees. Efficient utilization of billable employees will ensure that Kearney continues to grow, excels in our market space, and always remains a "Best Place to Work."

Tracking utilization helps to monitor higher-utilized team members to evaluate an employee's potential burnout on projects, as well as monitor lower-utilized employees who may feel disengaged. Providing timely data related to scheduled and historical utilization ensures Engagement Partners have the necessary information to make strategic decisions and reduce overhead cost. The utilization policy requires client-billable employees to maintain a minimum utilization rate to ensure eligibility and consideration for promotion during their annual performance reviews.

Unassigned and other "Indirect" administrative time should be minimized. Every effort must be made by the Engagement Partner, Project Manager, supervisor, and Employee, with assistance from the Resource Management Office, to match the employee to an open staffing requirement during the unassigned period.

The target utilization rate for each position level varies by experience. In addition, more experienced position levels may be expected to dedicate additional hours to proposal writing, business development, professional growth, or internal projects, so their billable utilization rates are set lower. Certain criteria may exclude an employee from utilization for periods of time. These situations will be approved by the Chief Operating Officer (COO) or Chief People Officer (CPO) for Human Resources (HR)-related situations.

The Utilization Policy requires each billable employee to deliver the highest percentage of billable hours based on the project(s) or engagement(s) to which he or she is assigned throughout the calendar year. Unassigned time will be minimized, and the target utilization rate for each labor category and/or position level will vary. In addition, more experienced labor categories or position levels may be expected to dedicate additional hours to proposal writing, business development, professional growth, or internal projects, so their billable utilization rate targets may be lower.

## Policy Guidelines

The following guidelines will assist client-billable employees with complying with the Utilization Policy. For the purpose of annual “Direct” client-billable hours, a standard of 2,080 hours is considered to be a full year of hours based on an eight-hour weekday, or 40 hours per week for 52 weeks. The standard hours calculation is reflected below:

2,080 hours     “Direct” (client-billable hours or approved credited time), “Indirect” (business development, proposal support, Continuing Professional Education [CPE], holiday, vacation, and sick hours)

Considering 2,080 hours as a standard year, the percentages in the following bulleted list reflect the expected minimum utilization rate for a client-billable employee in Tiers I, II, III, or IV to be considered “effective” and for that employee to be eligible for promotion during the annual performance review process. Performance managers/reviewers should incorporate utilization when discussing performance, promotions, and pay changes. Any justifications must be submitted prior to reviewer/employee meetings and in accordance with the annual performance review timeline.

While it is normally assumed that delivery and client satisfaction are client-specific, overall capability is reflective upon Kearney’s ability to provide those two components to all clients. Utilization is a key component to overall capability and effectiveness.

The following is a list of the four utilization tiers.

- **Tier I:** Technician/Associate/Analyst – 84% historical/scheduled billable hours, or a minimum of 1,767 “Direct” client-billable hours/credited time
- **Tier II:** Senior Associate/Senior Analyst – 81% historical/scheduled billable hours, or a minimum of 1,692 “Direct” client-billable hours/credited time
- **Tier III:** Manager/Consultant – 77% historical/scheduled billable hours, or a minimum of 1,617 “Direct” client-billable hours/credited time
- **Tier IV:** Senior Manager/Senior Consultant – 75% historical/scheduled billable hours, or a minimum of 1,579 “Direct” client-billable hours/credited time.

Tier III and Tier IV billable employee rates are considerably lower as these team members may be expected/solicited to work on proposals, business development, and/or approved internal projects. This time supporting indirect projects is not considered “Direct” client-billable hours for the calculation above.

“Direct” client-billable hours worked in addition to the standard hours per week will be included in the total billable hours charged to assist those employees in reaching or exceeding their minimum effective target utilization rate.

An employee’s hours dedicated to short or long-term disability, maternity/paternity leave, military service (e.g., Guard/Reserve), and/or other Family and Medical Leave Act (FMLA)

commitments is considered time excluded. Employees associated with these types of leave or programs will have their target utilization rates adjusted or they will be excluded from utilization for the period.

An employee's initial year with the firm will be adjusted based on their start date. The standard hours for a calendar year are established by counting every weekday as an eight-hour day, including holidays. For an entire year, this is 2,080 hours.

Client-billable employees work toward meeting or exceeding their respective target utilization rate by following the key actions listed below. These items will enhance the chances of employees remaining billable/assigned:

- **Resource Management:** Your first stop for all things Resource Management including what you need to do to make yourself more marketable (Masters, Certification, New Skill, Technology).
- **Sell Yourself:** Marketing oneself (network throughout the firm to identify engagement leads on projects where there is a skill and/or experience match) while the Resource Management Office is actively searching for an engagement match vastly increases an employee's chance of successfully returning to billable status
- **Self-Improvement:** If unassigned (even for a short period), maximize the use of unassigned or personal time to gain and sustain professional certification(s). Certifications validate an employee's credentials, so gaining or sustaining certifications can only improve knowledge, skill, and expertise. Certifications also reinforce the employee's commitment to remaining a professional in the professional environment and convey to our clients that our employees prioritize being professionally relevant
- **Add Tools to the Tool Box:** Improve experience and/or skill sets by adding other core competencies to your résumé. For example, auditors can develop Office of Management and Budget (OMB) Circular A-123 knowledge/skills or information technology (IT) audit knowledge. Additional skill sets and experience in another core competency that Kearney offers help strengthen an employee's résumé and his/her ability to perform on other projects. Flexibility and versatility as a professional only improve billable opportunities
- **Team Success:** Improve overall corporate value by aggressively volunteering to assist with applicable proposals, recruiting, and more. Dedicating unassigned time to assist internally helps the firm increase efficiencies and provides the employee with a great opportunity to add to his/her experience and skill set
- **Top Performers are Always in Demand:** Maintain exceptional or outstanding performance to be reflected on employee annual and mid-year reviews. Top performers are less likely to find themselves unassigned. Setting strong Specific, Measurable, Achievable, Relevant, and Time-Bound (SMART) goals annually and out-delivering to the customer every chance you get makes for a higher level of talent that helps to increase professional success.

### Utilization Scenarios



In this example, we are assuming an eight-week period is 320 hours (8 x 40), with one Federal Holiday.

Type/Example of Work	Hours
<b>“Direct” Client-Billable Hours for the Period</b>	
State Financial Statement Audit	248
<b>Total “Direct” Client-Billable Hours</b>	<b>248</b>
<b>“Indirect” Hours for the Period</b>	
Federal Holiday	8
CPEs	40
Proposal Support	24
<b>Total “Indirect” Hours</b>	<b>72</b>

To determine the utilization percentage for the period, we divide the total “direct” client-billable hours by the total number of hours worked for the period. Therefore:

$$248 \text{ hours} / 320 \text{ hours} = 77.5\% \text{ utilization for the period}$$

## VI. EMPLOYEE BENEFITS

Kearney offers a competitive benefits package. The eligibility requirements will be noted in the description of each benefit. These benefits are offered at the sole discretion of Kearney and may be changed or revoked at any time, for any reason, and without notice.

### Eligibility

Eligibility is based on the number of scheduled hours the employee works on a weekly basis. Full-time employees and part-time employees working 32 or more hours per week are eligible for all Kearney benefits. Additionally, medical, dental, vision, flexible spending accounts (FSA and HSA) and supplemental coverages such as accident insurance, are available to employees working 30 or more hours per week.

The following family members are eligible for medical, dental, and vision coverage: spouses, domestic partners meeting the specific criteria below, and dependent children, up to the age of 26.

### Domestic Partners

Domestic partners who meet the following criteria are eligible as dependents for medical, dental, and vision insurance. You and your domestic partner will be required to complete a Declaration of Domestic Partnership to certify the following conditions have been met. Dependent children are eligible when they meet all standard plan eligibility requirements required of dependents.



**Domestic Partnership Eligibility**

1. We are each other's sole domestic partner, and we intend to remain so indefinitely.
2. Neither of us is married to or legally separated from anyone else not have had another domestic partner within the prior six months.
3. We are both at least eighteen (18) years of age.
4. We are not related by blood to a degree of closeness that would prohibit legal marriage in the state in which we legally reside.
5. We cohabit and reside together in the same residence and intend to do so indefinitely. We have resided in the same household for at least six months.
6. We are not in this relationship solely for the purpose of obtaining benefits coverage.
7. We are engaged in a committed relationship of mutual caring and support and are jointly responsible for our common welfare and living expenses. Our interdependence is demonstrated by at least three of the following:

- Common ownership of real property (joint deed or mortgage agreement) or a common leasehold interest in property
- Common ownership of a motor vehicle
- Driver's license listing a common address
- Proof of joint bank accounts or credit accounts
- Proof of designation as the primary beneficiary for life insurance or retirement benefits, or primary beneficiary designation under a partner's will
- Assignment of a durable property power of attorney or health care power of attorney

**Health Insurance**

Medical, dental, and vision insurance is offered to full-time employees and part-time employees working 30 or more hours per week. You become eligible for coverage on the first day of the month following your start date.

Group Life and Accidental Death & Dismemberment (AD&D) insurance is offered to full-time employees and part-time employees working 32 or more hours per week. You become eligible for coverage on the first day of the month following your start date. Employees are insured at two times their annual base salary.

A Flexible Spending Account is available to Kearney employees working 30 or more hours per week and can be deducted starting the first of the month following your start date. Under this account (which is a voluntary election), an employee may set aside, on a pre-tax basis, the amount of money needed to pay for certain "IRS-Defined" medical/dependent care expenses for the employee and his or her dependents. An employee may designate the amount to be set aside during their new hire election period or during Open Enrollment season. Reimbursement shall be made on a twice a month basis, provided the employee submits receipts verifying his or her charges. Any unused amount of money over the rollover limit is forfeited at the end of the year.

**Extending Your Coverage under COBRA**

In compliance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Company offers employees and/or their covered dependents the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the health coverage plan would terminate. Please contact Human Resources by submitting a case through Kearney Connect for details.

**Long Term Disability**

Long Term Disability insurance is offered to full-time employees and part-time employees working 32 or more hours per week. It is available to an employee after he/she is unable to work consecutively for 90 calendar days. Proof of eligibility and other required paperwork must be submitted to the provider to qualify.

**Short Term Disability**

Short Term Disability insurance is offered to full-time employees for a period of up to 13 weeks, including a two-week unpaid waiting period. It is available to an employee after he/she is unable to work consecutively for 14 calendar days. Short term disability benefits for pregnancy claims are paid at 12 weeks. There is no waiting period. Proper documentation from a doctor is required. This paperwork must be submitted and approved by the provider. Short Term Disability also provides coverage for Maternity Leave.

*Benefits*

Benefit coverage will be continued for the employee during Short Term Disability upon the employee's request. If the employee is using personal leave and receiving a paycheck from the Company, the employer will continue to make payroll deductions to collect the employee's share of the insurance premium for voluntary benefit coverages. If the employee is not receiving a paycheck from the Company, the employee must continue to make payment for their portion of the premium, in person or by mail. The employer may also elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employer maintains coverage, the employer may recover the costs incurred for paying the employee's share of any premiums whether or not the employee returns to work. The employee's payment should be made to Kearney and sent to HR's attention by the 1<sup>st</sup> day of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped. The employer will provide 15 days' notification prior to the employee's loss of coverage.

Employees will continue to accrue sick and vacation leave while on Short Term Disability. Employees may charge time to Holiday. They may not charge time to Federal Closure, or Kearney Office Closure.

**401(k) Plan**

A 401(k) plan is available to all eligible employees over the age of 21. Enrollment is permitted on or after your date of hire. Information will be sent to you near your date of hire. Kearney also has a “match” program, which includes a matching formula of 50% of contributions on the first 6% of an employee’s base salary.

Example:

<i>Employee’s Salary:</i>	\$ 65,000
<i>Employee 401(k) Contributions:</i>	\$ 3,900 (6% of salary)
<i>Kearney’s Match:</i>	\$ 1,950 (50% of the first 6% of salary contributed)
<i>*Regardless of total employee contributions, only the first 6% will be matched.</i>	

Employer contributions vest after you have been with the firm for three years. For other guidelines regarding the contribution, please see the 401(k) Plan document.

## **529 College Savings Plan**

Kearney’s 529 College Savings Plan is available to all employees. This plan allows participants to make contributions to college savings plans for anyone they designate. Provided that the participant withdraws the funds and uses them to pay for eligible higher education expenses, these earnings are not taxed. Kearney uses American Funds for this plan. American Funds is a partner with the state of Virginia; therefore, a portion of your contributions may be deductible if you file Virginia state income tax. Please check with your tax professional to determine the portion of your contribution that is tax deductible. This plan will be offered on a completely voluntary basis.

## **Fitness Benefits**

Kearney provides employees with multiple fitness benefit options. Employees working 32 or more hours per week are eligible for one fitness option per calendar year. Some fitness benefits require the signing of a Fitness Agreement. The Fitness Benefits Guide with details and pricing for each option is located on Kearney's Intranet. Employees wishing to participate in one of Kearney’s fitness benefit options should contact Benefits by submitting a case through Kearney Connect. Approval is required for enrollment and submitting an expense report for reimbursement.

## **Educational Assistance**

Kearney offers educational assistance in order to enhance current or future job performance. The education assistance is based on employee tenure up to the following amounts:

- Date of hire to one year of service - \$2,500 per calendar year
- One year and one day up to five years of service - \$5,250 per calendar year
- More than five years of service - \$7,000 per calendar year

The employee must obtain a grade of “B” or better in the class he/she has signed up for.

Employees must agree to remain employed at Kearney for a period of one year from monetary disbursement.

Kearney will provide reimbursement for CPE courses required for professional development, in-house training for new hires, and any training pertaining to new clients with prior approval.

### **CPA Study Material Program**

To furnish employees with greater flexibility in preparing to take the CPA exam, Kearney offers employees both reimbursement and/or discounts on CPA study material from select partnerships. Kearney will provide up to \$2,500 in reimbursement towards a CPA study material package. Kearney will cover 75% of the total cost of the study material package. Employees are personally responsible for 25% of the total cost of the study material package. To assist employees with CPA study material costs, employees may enroll in a payroll deduction plan to deduct 25% directly from their paycheck over 20 pay periods. If the employee leaves the Company within one year of purchasing the study materials, the employee will be responsible for paying the entire cost of the study materials.

### **Paid Time to Sit for CPA Exam**

Kearney employees are allotted 16 hours of paid time off to sit for the CPA exam. After these 16 hours are used, you will need to use vacation or comp time to finish or retake the exam. Time off prior to the exam is approved on an individual basis, if your workload permits. Employees must complete a vacation request form and obtain Supervisor approval, along with approval from a Partner.

### **Additional CPA Certification Benefits**

Kearney employees who successfully pass all four sections of the CPA exam will receive an additional \$5,000 increase to their annual salary as an additional CPA Certification Benefit. Employees at the Associate and Analyst level, who gain their CPA and/or CISA are also permitted to join one professional association and have membership fees paid for by the Company. This benefit is typically reserved for Senior Consultants, Senior Analysts and above.

### **Workers' Compensation**

Kearney carries workers' compensation insurance covering all full-time and part-time employees from the start date of employment. Work-related injuries or illnesses must be reported to the employee's supervisor and Human Resources by submitting a case through Kearney Connect immediately so that necessary claims can be filed with the insurance carrier.

### **Holidays**

Kearney observes the same holidays as the Federal Government. The following Holidays are paid for full-time employees, and part-time employees working 32 hours or more per week:

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

Kearney reserves the right to recognize one or more additional holidays at its discretion. Recognition of an additional holiday in one year does not create a requirement in future years. At times, employees may be required to work on a holiday by their supervisor or a client. In these cases, employees whose status is salaried (ineligible for overtime or compensatory time) may apply the unused holiday hours to any other day. Employees required to work on a holiday who are eligible for compensatory time, paid straight time, or eligible for overtime for all hours worked, should charge eight hours to the respective holiday in addition to the actual hours worked that day.

## **Bonuses**

Kearney reserves the right to offer bonuses to its employees.

### Team Member Referral Bonuses

Kearney team members are eligible to receive a bonus when referring qualified candidates who are hired and complete their first sixty (60) days with Kearney. Team members will receive a \$5,000 bonus when referring a Senior Manager or Senior Consultant, a \$4,000 bonus when referring a Manager or Consultant, a \$3,000 bonus when referring a Senior Associate or Senior Analyst, a \$1,000 bonus for an Associate or Analyst, and a \$500 bonus when referring an intern.

In addition, team members are eligible for an additional \$5,000 bonus for candidates who join Kearney with a TS/SCI with a Full Scope Polygraph and report to an Intel Community Engagement.

To qualify as the referring team member, send the candidate's resume and contact info to [referrals@kearneyco.com](mailto:referrals@kearneyco.com). The referring candidate should apply on the Kearney career website and list your name in the application section, "how did you hear about this position?"

### Certification Bonuses

- Certified Public Accountant (CPA)
  - \$10,000 bonus for employees who pass all four parts of the CPA exam (of which at least one test must be taken within 90 days of becoming an employee of Kearney or thereafter) on their first attempt. Please note that the \$10,000 CPA Bonus has a 2-year commitment versus the 1-year commitment for the other strategic certifications.
  - \$5,000 bonus for employees who pass all four parts of the CPA exam (of which at least one test must be taken within 90 days of becoming an employee of Kearney or thereafter).
- Certified Information Systems Auditor (CISA) – \$2,500\*
- Certified Defense Financial Manager (CDFM) – \$1,000\*
- Certified Government Financial Manager (CGFM) – \$1,000\*
- Project Management Professional (PMP) – \$1,000\*
- Certified Information System Security Professional (CISSP) – \$2,500
- Certified Internal Auditor (CIA) – \$1,000
- Certified Fraud Examiner (CFE) – \$1,000
- UiPath RPA Developer Advanced Certification – \$2,500
- A+ – \$1,000
- CompTia Network+ – \$1,000
- Security+ – \$1,000
- Information Technology Infrastructure Library (ITIL)® Foundation – \$1,000
- CompTia CySA+ – \$1,000
- CompTia Advanced Security Practitioner (CASP+) – \$1,000
- Certified Information Security Manager (CISM) – \$1,000
- Certified Ethical Hacker (CEH) – \$1,000
- PMI – Agile Certified Practitioner (ACP) – \$1,000
- Certified Cloud Security Professional (CCSP) – \$1,000
- CompTIA Linux+ – \$2,000
- Certified Information Systems Auditor (CISA) – \$2,500
- Certified in Risk and Information Security Controls (CRISC) – \$1,000
- Certified in the Governance of Enterprise IT (CGEIT) – \$1,000
- Certified Data Privacy Solutions Engineer (CDPSE) – \$1,000
- AWS Cloud Practitioner\*\* – \$1,000
- AWS Solutions Architect - Associate\*\* – \$1,500
- AWS Solutions Architect - Professional\*\* – \$2,000

The following certifications will be reimbursed and are not eligible for bonuses. A one-year sign on agreement is not required.

- Data Science for Business (DSBiz)
- Artificial Intelligence for Business (AIBiz)
- Internet of Things for Business (IOTBiz)
- Incident Response for Business (IRTBiz)

\*Kearney will reimburse employees for the cost of exam fees, for one attempt per section, upon receiving proof of passing.

\*\*If a Kearney employee obtains a "Professional" AWS certification, the Kearney employee CANNOT subsequently obtain a bonus for passing the corresponding "Associate" certification. Further, if a Kearney employee obtains either an "Associate" or "Professional" AWS certification, the Kearney employee CANNOT subsequently obtain a bonus for passing the "AWS Cloud Practitioner" certification.

Employees accessing ITU for certification exam readiness are eligible for upfront book reimbursements not exceeding \$125, upon receiving proof of exam registration.

All bonuses will be treated as taxable income, and employees must agree to remain employed at Kearney for a period of one year from monetary disbursement (two years for the \$10,000 CPA Bonus). Partners and Principals are not eligible for certification bonuses.

#### Clearance Bonuses

Team members who hold a Top Secret (TS) clearance with access to Sensitive Compartmented Information (SCI), and pass polygraph examinations, will receive a quarterly bonus when actively on an Intel Community Engagement that requires this level of clearance, and the clearance remains active. The bonus of 6% of a team members annual salary, or \$10,000, whichever is greater, will be paid on a quarterly basis. (The greater of 25% of 6% of your salary per quarter, or \$2,500 per quarter.) The bonuses will be paid out the first pay period following the end of each quarter.

In addition, team members will receive a \$3,000 bonus upon successful adjudication of a Counterintelligence Polygraph and an additional \$7,000 bonus upon successful adjudication of a Full Scope Polygraph. Team members who receive a Full Scope Polygraph (without having taken a Counterintelligence polygraph), will receive a \$10,000 bonus. Bonuses will require a signed agreement and a service commitment to retain the bonus. Bonuses in the amount of \$3,000 and \$7,000 hold a 12-month service commitment. Bonuses in the amount of \$10,000 hold an 18-month service commitment.

Team members who work on Intel Community Engagements will also accrue one additional week of vacation per year, distributed at the end of the audit. Team members who join an Intel Community Engagement after September first, will receive a prorated amount of the additional week of vacation based on their start date.

#### Promotion Incentive Bonus Plan

**\*This Plan was discontinued on 1/1/2021. Employees who previously had contributions added to the plan will still be paid out in the appropriate time frame.\***

Employees receiving a promotion at Kearney are eligible for the Promotion Incentive Bonus



Plan. This reward income is deposited into a deferred compensation plan, with investment options similar to a 401(k) plan. The employee will receive the bonus plus earnings in one lump sum following a three-year vesting period (minimum investment period). The employee will have the opportunity to defer the distribution for tax, investment, or other purposes for up to 10 years.

Employees are eligible to receive a \$3,000 bonus when promoted to Senior Associate or Senior Analyst or an equivalent title, a \$4,000 bonus when promoted to Manager or Consultant or an equivalent title and a \$5,000 bonus when promoted to a Senior Manager or Senior Consultant or an equivalent title.

### **Certification Exam Fees**

Kearney will reimburse employees for the cost of certification exam fees upon successful completion of the exam. Employees will only be reimbursed for one attempt per section. The following certifications will apply:

- CPA
- CISA
- CGFM
- CDFM
- PMP.

### **Vacation and Flexible Time Off**

In an effort to reward those who have been with the Company for numerous years, we provide additional days of vacation based on years of service. Vacation is available to full-time employees, and part-time employees working 32 or more hours per week. The number of vacation days will increase two to three days following the completion of three, five, seven, and 10 years, respectively to a maximum of 20 days per year. The table illustrates the number of vacation days that employees will receive based upon consecutive months of service. The table illustrates the number of vacation days that employees will receive based upon consecutive months of service.

<u>Months of Service</u>	<u>Days of Vacation</u>
0-35	10
36-59	12
60-83	15
84-119	17
120+	20

Unused vacation leave can be carried over to the next calendar year. No more than 30 days of vacation may be carried at any time.

Employees requesting vacation/flex time shall give reasonable advance notice to their supervisor. Accrued vacation time is indicated on each paycheck. Upon resignation or termination, employees shall be paid for unused vacation and/or compensatory

(comp) time only.

## **Military Leave**

Kearney is committed to protecting the job rights of employees absent on military leave. In accordance with Federal and state law, it is the Company's policy that no employee or prospective employee will be subjected to any form of discrimination on the basis of that person's membership in or obligation to perform service for any of the Uniformed Services of the United States. Specifically, no person will be denied employment, reemployment, promotion, or other benefit of employment on the basis of such membership. Furthermore, no person will be subjected to retaliation or adverse employment action because such person has exercised his or her rights under this policy. If any employee believes that he or she has been subjected to discrimination in violation of this policy, the employee should immediately contact Human Resources by submitting a case through Kearney Connect.

Military leave is covered under both the Uniformed Services Employment and Reemployment Rights Act (USERRA) and Consolidated Omnibus Budget Reconciliation Act (COBRA). In the event that both events apply to the individual, USERRA protection will run concurrently with COBRA. The employee will receive the benefit of whichever law is more generous in a given situation. When electing USERRA, employees must follow COBRA timely election and payment rules.

## **Procedure/Guidelines**

### Temporary (Two-Week) Military Leave

In addition to the rights and benefits provided to employees taking Extended Military Leave (as described in this policy), this leave covers eligible employees who must be absent from their job for a period not more than 80 hours per rolling calendar year in order to participate in temporary military duty. All benefits will continue during an employee's temporary military leave. The first 80 hours of leave will be paid Military Leave for full-time employees and part-time employees working 32 or more hours per week.

### All Other (Extended) Military Leave

Employees directed to participate in extended military duties in the U.S. Armed Forces that exceed 80 working hours per rolling calendar year will be placed on an unpaid Military leave of absence status for a period of as long as five years. They will be entitled to the rights and benefits described below, subject to the procedures outlined below. The first 80 hours of leave will be paid Military Leave for full-time employees and part-time employees working 32 hours or more per week. Employees may use vacation, comp time, and/or unpaid leave for the remaining time off.

### Procedures for Military Leave

1. The employee should provide his or her immediate supervisor with notice that the employee will be engaging in military service, including, where feasible, a copy of the orders directing the military duty, unless the employee is prevented from doing so by military necessity. Employees are requested to provide such notice within 30 days of active military service or as soon as the employee is able. Failure to provide adequate notice may render the employee ineligible for the rights and benefits described in this policy.
2. To request a temporary or extended military leave of absence, the employee should, unless prevented from doing so by military necessity, provide a copy of the orders directing military duty to Human Resources.
3. HR will review and approve, collect any applicable insurance premiums from the employee, generate other applicable documents, and process accordingly.
4. Employees on temporary or extended military leave may, at their option, use any or all accrued paid vacation or personal leave during their absence.
5. When the employee intends to return to work, he or she must make application for reemployment to HR within the application period set forth below.
6. If the employee does not return to work, the supervisor must notify HR so that appropriate action may be taken.

### Benefits

If an employee is absent from work due to military service, benefits will continue as follows:

1. An employee on extended military leave may elect to continue group health insurance coverage for the employee and covered dependents under the same terms and conditions for a period not to exceed 31 days from the date the military leave of absence begins. The employee must pay, per pay period, the premium normally paid by the employee. After the initial 31-day period, the employee's health insurance will be terminated. The employee and/or covered dependents may continue group health insurance through COBRA for up to 24 months at 102% of the overall (both employer and employee) premium rate.
2. Timely election and monthly payments under COBRA continuation are required to continue coverage. Payment details will be included in COBRA paperwork.
3. The Group Life, AD&D, and Short and Long-Term disability insurance provided by the Company will terminate at the end of the month the employee becomes active military. Voluntary Life and AD&D coverage will terminate at the end of month as well.
4. Employees do not accrue vacation, personal leave, or sick leave while on military leave of absence status.
5. With respect to the Company's retirement plan, upon reemployment, employees who have taken military leave will be credited for purposes of vesting with the time spent in military service and will be treated as not having incurred a break in service.

Immediately upon reemployment, the employee may, at the employee's election, make any or all employee contributions that the employee would have been eligible to make had the employee's employment not been interrupted by military service. Such contributions must be made within a period that begins with the employee's reemployment and that is not greater in duration than three times the length of the employee's military service. Employees will receive all associated company match for such contributions.

### Reemployment

Upon an employee's prompt application for reemployment (as defined below), an employee will be reinstated to employment in the following manner depending upon the employee's period of military service:

1. *Less than 91 days of military service* - (i) in a position that the employee would have attained if employment had not been interrupted by military service; or (ii) if found not qualified for such position after reasonable efforts by the Company, in the position in which the employee had been employed prior to military service.
2. *More than 90 days and less than 5 years of military service* - (i) in a position that the employee would have attained if employment had not been interrupted by military service or a position of like seniority, status and pay, the duties of which the employee is qualified to perform; or (ii) if proved not qualified after reasonable efforts by the Company, in the position the employee left, or a position of like seniority, status and pay, the duties of which the employee is qualified to perform.
3. *Employee with a service-connected disability* - if after reasonable accommodation efforts by the employer, an employee with a service-connected disability is not qualified for employment in the position he or she would have attained or in the position that he or she left, the employee will be employed in (i) any other position of similar seniority, status and pay for which the employee is qualified or could become qualified with reasonable efforts by the Company; or (ii) if no such position exists, in the nearest approximation consistent with the circumstances of the employee's situation.

### Application for Reemployment

An employee who has engaged in military service must, in order to be entitled to the reemployment rights set forth above, submit an application for reemployment according to the following schedule:

1. *If service is less than 31 days (or for the purpose of taking an examination to determine fitness for service)* - the employee must report for reemployment at the beginning of the first full regularly scheduled working period on the first calendar day following completion of service and the expiration of eight hours after a time for safe transportation back to the employee's residence.

2. *If service is for 31 days or more but less than 180 days* - the employee must submit an application for reemployment with HR no later than 14 days following the completion of service.
3. *If service is over 180 days* - the employee must submit an application for reemployment with HR no later than 90 days following the completion of service.
4. *If the employee is hospitalized or convalescing from a service-connected injury* - the employee must submit an application for reemployment with HR no later than two years following completion of service.

### Exceptions to Reemployment

In addition to the employee's failure to apply for reemployment in a timely manner, an employee is not entitled to reinstatement as described above if any of the following conditions exist:

1. The Company's circumstances have so changed as to make reemployment impossible or unreasonable.
2. The employee's employment prior to the military service was merely for a brief, non-recurrent period and there was no reasonable expectation that the employment would have continued indefinitely or for a significant period.
3. The employee did not receive an honorable discharge from military service.

### ***General Benefits Upon Reemployment***

Employees reemployed following military leave will receive seniority and other benefits determined by seniority that the employee had at the beginning of the military leave, plus any additional seniority and benefits the employee would have attained, with reasonable certainty, had the individual remained continuously employed. In addition, an employee's time spent on active military duty will be counted toward their eligibility for FMLA leave once they return to their job at Kearney.

### Documentation

The HR department will, upon the employee's reapplication for employment, request that the employee provide Kearney with military discharge documentation that establishes the timeliness of the application for reemployment and length and character of the employee's military service.

### **Sick Leave**

Full-time employees and part-time employees working 32 or more hours per week can earn 10 days of sick leave per year. Sick leave may be used for the employee's own medical attention or to care for a family member who requires care. A family member is a spouse, child, parent, domestic partner, or anyone who is the equivalent of a family member.

Employees using sick leave for three (3) or more consecutive days should provide a written medical verification from a health care provider or a doctor's note certifying that he/she is able to

safely return to work and perform the essential job functions. A doctor's note is required for an employee caring for a family member for three (3) or more consecutive days. The note can identify the employee as the caregiver for the family member requiring care. This written medical verification from a health care provider or doctor's note should be given to Human Resources before or immediately upon his/her return to work. If a doctor's note is not provided, the employee will be required to take leave without pay or use Vacation until the documentation is furnished.

If an employee is sick and does not have sick leave available, vacation hours, and advance leave up to 20 hours, may be used upon request. Time off without pay may not be elected in lieu of using accrued sick leave hours without approval from Human Resources. Unused sick leave can be carried over to the next calendar year.

### **Advance Leave**

Kearney permits employees to charge up to 20 hours of vacation and/or sick leave in advance of accruing the necessary amount. The charges will be recorded by the same means as charging vacation and sick leave, by adding the necessary number of hours to the respective code.

If advance leave is received and the employee leaves the company for any reason, whether voluntary or involuntary, prior to accruing the required time to cover any advance leave, the remaining balance will be deducted from the final paycheck. If the final paycheck is insufficient to cover the cost of the remaining balance, repayment is required within thirty (30) days of the last day of my employment.

### **Donated Leave Pool**

In the case of an extended absence due to illness or other extenuating circumstances, employees may be eligible to apply to receive donated leave. This application process is handled through the Chief People Officer and will be considered on a case by case basis. In order to be eligible to receive donated leave, an employee must first exhaust all of his or her leave balances. If it is determined that an employee is eligible to receive donated leave, then co-workers may donate only vacation or comp time to offset the employee's sick leave balance. An employee wishing to donate leave should contact the Chief People Officer for further details.

### **Comp Time**

Eligible exempt employees may earn comp time by working in excess of 40 hours per week. If you are carrying advance leave balances, any additional hours worked over 40 must go to pay off those negative balances prior to being able to accrue comp time. No more than 140 hours of comp time may be carried at any time.

### **Parental Leave**

Kearney offers five weeks of paid parental leave at 100% of an employee's salary to full-time employees and part-time employees working 32 or more hours per week. Parental leave may be used for family life events such as maternity, paternity, adoption, foster care placement and court-appointed legal guardianship. Leave must be used within one year of the date of the event over a continuous period or intermittently. During parental leave, employees are eligible for Holiday pay, in addition to vacation and sick leave accrual. Please see below for additional information on leave for maternity, adoption, foster care, and legal guardianship purposes.

Leave for the birth of a child, adoption or foster care will be designated as FMLA leave and will run concurrently with parental leave. This type of leave is job protected. Please refer to the FMLA policy for details.

### Maternity

Benefits and leave in relation to maternity are offered to full-time employees and part-time employees working 32 or more hours per week through Short Term Disability (STD) and company-paid parental leave. STD benefits for pregnancy claims are paid at 12 weeks of leave. Employees will be required to complete an intake process with the disability insurance carrier prior to the birth to meet STD and Family Medical Leave (FMLA) requirements. Employees will be paid at 66.67% of their salary during the time period authorized by the disability carrier. The maximum benefit is \$1,500 per week.

Parental leave may be used concurrently, prior to, or following STD. If parental leave is used during STD, the total benefit amount received may not exceed 100% of your salary. In addition, employees may elect to use their STD coverage and/or any combination of their personal sick, vacation and comp time. If used in conjunction with STD, you may not charge time to Kearney that would enable you to receive over 100% of your salary.

### Adoption, Foster Care, and Court-Appointed Legal Guardianship

Parental leave pertaining to adoption, foster care, or court-appointed legal guardianship may be used to take time off to spend with the child, preparation of the child, including but not limited to, completing required training, attending support groups, and preparing the home. This benefit is available to full-time employees and part-time employees working 32 or more hours per week.

Five weeks of parental leave is given once per instance of adoption, foster care, or obtaining legal guardianship. If multiple placements occur at the same time, such as siblings, this does not increase the five-weeks of paid parental leave available for the single occurrence. Up to two separate instances of adoption, foster care, or legal guardianship will be granted per family, per rolling calendar year. For example, if a family begins to foster two siblings on May 2, 2023, they will have until May 1, 2024, to use five-weeks of parental leave. If they foster a third child as of December 15, 2023, the employee will have an additional five-weeks of parental leave to use until December 14, 2024.



Leave terminates at the end of the placement (when applicable), or within twelve months of the placement, whichever comes first. Unused parental leave is not compensable if an employee separates from the Company, or at the conclusion of the placement.

Documentation showing the placement of a child in an employee's home is required to be provided to Human Resources to qualify.

#### Benefit Payments during Parental Leave

While an employee is receiving company-paid parental leave, the Company will continue the employee's health benefits during the five-week leave period at the same level and under the same conditions as if the employee is continuing to work. Employees may charge time to a Holiday that falls during their leave. Employees will continue to accrue sick and vacation leave during this time.

If the employee is on parental leave and chooses to add a child to their healthcare plan as a result of a qualifying event, this action may adjust the level of coverage held by the employee. This may also increase the cost of the health care premium for the employee and for Kearney. Employees will be responsible for paying the additional employee paid cost of the added dependent in all pay periods moving forward, effective the date of the employee request.

If the employee's time off to have a child runs concurrently with Short Term Disability and/or Unpaid Personal Leave, please refer to those policies for details on benefit payment and continuation of insurance coverages. Employees will be required to provide payment for any period of time that a paycheck from Kearney is not received to continue voluntary benefits coverage. Please contact Benefits by submitting a case through Kearney Connect for additional details.

#### **Bereavement Leave**

In the event of a death in your immediate family (spouse, children, parents, siblings, and grandparents, and in-laws of the same relation), three (3) days of paid bereavement leave will be granted to full-time employees. If you are directly responsible for the care of the decedent and you require leave beyond three days, you may use sick leave. If you are not directly responsible for the decedent and you require leave beyond three days, you must use vacation leave.

All requests for bereavement leave are considered on an individual basis, and must be approved (in advance, if possible) by a member of the HR team. Employees may not use Bereavement Leave to exceed 40 hours on their weekly timesheet. Bereavement Leave is available to full-time employees and part-time employees who work 32 or more hours per week.

**Leave under the Family and Medical Leave Act (“FMLA”)**

Kearney follows the provisions of the Federal Family and Medical Leave Act implementing Regulations as revised effective March 27, 2015.

The purpose of this policy is to provide employees with a general description of leave under FMLA. In the event of any conflict between this policy and the applicable law, employees will be afforded all rights required by law.

If you have any questions, concerns, or disputes with this policy, you must contact Erin Ogburn, Chief People Officer, in writing.

***A. General Provisions***

It is the policy of this company to grant up to 12 weeks of family and medical leave (or up to 26 weeks of military caregiver leave to care for a covered servicemember with a serious injury or illness) during a 12-month period to eligible employees. The leave may be paid, unpaid or a combination of paid and unpaid leave, depending on the circumstances of the leave and as specified in this policy.

***B. Eligibility***

To qualify to take family or medical leave under this policy, the employee must meet all of the following conditions:

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

### ***C. Type of Leave Covered***

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

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

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

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

This policy covers illnesses of a serious and long-term nature, resulting in recurring or lengthy absences. Generally, a chronic or long-term health condition that would result in a period of three consecutive days of incapacity with the first visit to the health care provider within seven days of the onset of the incapacity and a second visit within 30 days of the incapacity would be considered a serious health condition. For chronic conditions requiring periodic health care visits for treatment, such visits must take place at least twice a year.

Employees with questions about what illnesses are covered under this FMLA policy or under the Company's sick leave policy are encouraged to consult with the HR department.

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

5. Qualifying exigency leave for families of members of the National Guard or Reserves or of a regular component of the Armed Forces when the covered military member is on covered active duty or called to covered active duty.

An employee whose spouse, son, daughter, or parent either has been notified of an impending call or order to covered active military duty or who is already on covered active duty may take up to 12 weeks of leave for reasons related to or affected by the family member's call-up or service. The qualifying exigency must be one of the following: 1) short-notice deployment, 2) military events and activities, 3) child care and school activities, 4) financial and legal arrangements, 5) counseling, 6) rest and recuperation, 7) post-deployment activities and 8)

additional activities that arise out of active duty, provided that the employer and employee agree, including agreement on timing and duration of the leave.

“Covered active duty” means:

- In the case of a member of a regular component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country
- In the case of a member of a reserve component of the Armed Forces, duty during the deployment of the member with the Armed Forces to a foreign country under a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code.

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

6. Military caregiver leave (also known as covered service-member leave) to care for an injured or ill service-member or veteran.

An employee whose son, daughter, parent or next of kin is a covered service-member may take up to 26 weeks in a single 12-month period to take care of leave to care for that service-member.

Next-of-kin is defined as the closest blood relative of the injured or recovering service-member. The term “covered service-member” means:

- A member of the Armed Forces (including a member of the National Guard or Reserves) who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness
- A veteran who is undergoing medical treatment, recuperation, or therapy, for a serious injury or illness and who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during the period of 5 years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.

The term “serious injury or illness”:

- In the case of a member of the Armed Forces (including a member of the National Guard or Reserves), means an injury or illness that was incurred by the member in line of duty on active duty in the Armed Forces (or existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that may render the member medically unfit to perform the duties of the member’s office, grade, rank, or rating

- In the case of a veteran who was a member of the Armed Forces (including a member of the National Guard or Reserves) at any time during a period when the person was a covered service- member, means a qualifying (as defined by the Secretary of Labor) injury or illness that was incurred by the member in line of duty on an active duty in the Armed Forces (or existed before the beginning of the member's active duty and was aggravated by service in line of duty on active duty in the Armed Forces) and that manifested itself before or after the member became a veteran.

#### ***D. Amount of Leave***

An eligible employee can take up to 12 weeks for the FMLA circumstances (1) through (5) above under this policy during any 12-month period. The company will measure the 12-month period as a rolling 12-month period measured backward from the date an employee uses any leave under this policy. Each time an employee takes leave, the Company will compute the amount of leave the employee has taken under this policy in the last 12 months and subtract it from the 12 weeks of available leave, and the balance remaining is the amount the employee is entitled to take at that time.

An eligible employee can take up to 26 weeks for the FMLA circumstance (6) above (military caregiver leave) during a single 12-month period. For this military caregiver leave, the Company will measure the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances will be deducted from the total of 26 weeks available.

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

#### ***E. Employee Status and Benefits during Leave***

While an employee is on FMLA leave, the Company will continue the employee's benefits during the leave period at the same level and under the same conditions as if the employee had continued to work. Voluntary benefit continuation, including medical insurance, is dependent on the employee continuing to pay their portion of the benefit premium.

If the employee is using personal leave during the FMLA period, and receiving a paycheck from the Company, the Company will continue to make payroll deductions to collect the employee's share of the insurance premium for voluntary benefit coverages. If the employee is not receiving a paycheck from the Company, the employee must continue to make payment for their portion of the premium, either in person or by mail. The employer may also elect to maintain such benefits during the leave and pay the employee's share of the premium payments. If the employer maintains coverage, the employer may recover the costs incurred for paying the employee's

share of any premiums whether or not the employee returns to work. The employee's payment should be made to Kearney and sent to HR's attention by the 1st day of each month. If the payment is more than 30 days late, the employee's health care coverage may be dropped. The employer will provide 15 days' notification prior to the employee's loss of coverage.

If the employee chooses not to return or is unable to return to work for reasons other than a continued serious health condition of the employee or the employee's family member or a circumstance beyond the employee's control, the Company may require the employee to reimburse the Company the amount it paid for the employee's health insurance premium during the leave period.

If the employee is no longer eligible for FMLA coverage and has no accrued personal leave remaining (sick, vacation, comp time), the employee may request unpaid personal leave for a period up to three months. Please refer to the Unpaid Personal Leave section of the Policies & Procedures regarding requests for unpaid leave, approval, and extension of benefits through COBRA. If the employee does not request Unpaid Personal Leave or it is not approved, the employee's benefits will be terminated, and the employee will become eligible for COBRA coverage for employee-elected benefits.

During FMLA leave, employees are eligible for Holiday pay, in addition to vacation and sick leave accrual.

#### ***F. Employee Status after Leave***

An employee who takes leave under this policy is required to provide a Fitness for Duty (FFD) certification from his/her health care provider indicating that the employee is able to return to work and perform the essential functions of his/her job. This requirement will be included in the employer's response to the FMLA request. Reinstatement to the employee's position may be delayed or denied if the employee fails to provide a required fitness for duty verification, or never provides such notice to Human Resources. If a doctor's note is not provided, the employee will be required to take leave without pay or use vacation until the documentation is furnished. Generally, an employee who takes FMLA leave will be able to return to the same position or a position with equivalent status, pay, benefits and other employment terms. The position will be the same or one which is virtually identical in terms of pay, benefits and working conditions. The company may choose to exempt certain key employees from this requirement and not return them to the same or similar position.

#### ***G. Use of Paid and Unpaid Leave***

An employee who is taking FMLA leave because of the employee's own serious health condition or the serious health condition of a family member must use all paid vacation, personal or sick leave prior to being eligible for unpaid leave. Sick leave will run concurrently with FMLA leave if the reason for the FMLA leave is covered by the established sick leave policy.

Disability leave for the birth of the child and for an employee's serious health condition,

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

An employee who is using military FMLA leave for a qualifying exigency must use all paid vacation and personal leave prior to being eligible for unpaid leave. An employee using FMLA military caregiver leave must also use all paid vacation, personal leave, or sick leave (as long as the reason for the absence is covered by the Company's sick leave policy) prior to being eligible for unpaid leave.

#### ***H. Intermittent Leave or a Reduced Work Schedule***

The employee may take FMLA leave in 12 consecutive weeks, may use the leave intermittently (take a day periodically when needed over the year) or, under certain circumstances, may use the leave to reduce the work week or workday, resulting in a reduced hour schedule. In all cases, the leave may not exceed a total of 12 work weeks (or 26 work weeks to care for an injured or ill servicemember over a 12-month period).

The company may temporarily transfer an employee to an available alternative position with equivalent pay and benefits if the alternative position would better accommodate the intermittent or reduced schedule, in instances of when leave for the employee or employee's family member is foreseeable and for planned medical treatment, including recovery from a serious health condition or to care for a child after birth, or placement for adoption or foster care.

For the birth, adoption or foster care of a child, the Company and the employee must mutually agree to the schedule before the employee may take the leave intermittently or work a reduced hour schedule. Leave for birth, adoption or foster care of a child must be taken within one year of the birth or placement of the child.

If the employee is taking leave for a serious health condition or because of the serious health condition of a family member, the employee should try to reach agreement with the Company before taking intermittent leave or working a reduced hour schedule. If this is not possible, then the employee must prove that the use of the leave is medically necessary.

#### ***I. Certification for the Employee's Serious Health Condition***

The company requires certification for the employee's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation



of leave. Medical certification will be provided using the Department of Labor (DOL) Certification of Health Care Provider for Employee's Serious Health Condition (copy attached).

The company may directly contact the employee's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the Company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification. The company has the right to ask for a second opinion if it has reason to doubt the certification. The company will pay for the employee to get a certification from a second doctor, which the Company will select. The Company may deny FMLA leave to an employee who refuses to release relevant medical records to the health care provider designated to provide a second or third opinion. If necessary, to resolve a conflict between the original certification and the second opinion, the Company may require the opinion of a third doctor. The Company and the employee will mutually select the third doctor, and the Company will pay for the opinion. This third opinion will be considered final. The employee will be provisionally provided with leave and benefits under the FMLA pending the second and/or third opinion.

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

The company will require certification for the family member's serious health condition. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. Medical certification will be provided using the DOL Certification of Health Care Provider for Family Member's Serious Health Condition (copy attached).

The company may directly contact the employee's family member's health care provider for verification or clarification purposes using a health care professional, an HR professional, leave administrator or management official. The company will not use the employee's direct supervisor for this contact. Before the Company makes this direct contact with the health care provider, the employee will be given an opportunity to resolve any deficiencies in the medical certification.

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

***K. Certification of Qualifying Exigency for Military Family Leave***

The company requires certification of the qualifying exigency for military family leave. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification of Qualifying Exigency for Military Family Leave (copy attached).

***L. Certification for Serious Injury or Illness of Covered Servicemember for Military Family Leave***

The company requires certification for the serious injury or illness of the covered servicemember. The employee must respond to such a request within 15 days of the request or provide a reasonable explanation for the delay. Failure to provide certification may result in a denial of continuation of leave. This certification will be provided using the DOL Certification for Serious Injury or Illness of Covered Servicemember (copy attached).

***M. Recertification***

The company may request recertification for the serious health condition of the employee or the employee's family member every 30 days and when circumstances have changed significantly, or if the employee receives information casting doubt on the reason given for the absence, or if the employee seeks an extension of his or her leave. Otherwise, the Company may request recertification for the serious health condition of the employee or the employee's family member every six months in connection with an FMLA absence. The company may provide the employee's health care provider with the employee's attendance records and ask whether need for leave is consistent with the employee's serious health condition.

***N. Procedure for Requesting FMLA Leave***

All employees requesting FMLA leave must provide verbal or written notice of the need for the leave to the HR manager.

When the need for the leave is foreseeable, the employee must provide the employer with at least 30 days' notice. When an employee becomes aware of a need for FMLA leave less than 30 days in advance, the employee must provide notice of the need for the leave either the same day or the next business day. When the need for FMLA leave is not foreseeable, the employee must comply with the Company's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances.

***O. Intent to Return to Work from FMLA Leave***

The company may require an employee on FMLA leave to report periodically on the employee's status and intent to return to work.

## **Unpaid Personal Leave**

Requests for unpaid personal leave, for more than two consecutive working days, may be approved on a case-by-case basis once the employee exhausts all vacation and comp time. Requests for unpaid personal leave should be discussed with your supervisor and submitted in writing to [hr@kearneyco.com](mailto:hr@kearneyco.com), stating the amount of time and reason for the request. Requests will be reviewed individually and granted or denied after careful review and discussion.

The request should be made as soon as the employee is aware of the need for leave, at least 30 days in advance. If 30 days is not possible, then as soon as practicable if the need for leave is foreseeable. If the need for leave was not foreseeable, you must notify us as soon as possible. Failure to provide the specified notice may result in a delay or denial of your leave.

Employees are responsible for paying all benefit elections during personal leave. All payments are due by the first of the month. If payment is not made within 30 days of the due date, your coverages will be terminated. If you fail to return to work following your leave, you may be liable for payment of any health insurance premiums paid by the company during your leave.

Employees on personal leave may remain on Kearney's benefit plan for the time their leave is approved, but not to exceed the period as indicated below.

The following benefits will terminate 90 days following the start of your personal leave or sooner if timely payments are not made:

- Medical, Dental and Vision
- FSA Health, FSA Dependent Care and HSA
- Accidental Injury, Critical Illness and Hospital Care
- Short-Term Disability and Long-Term Disability – company paid benefits.

After 90 days, your Medical, Dental, Vision and FSA Health, if applicable, will transition to COBRA. Monthly payments during COBRA continuation are required to continue benefits coverage. Payment details will be included in the COBRA paperwork you receive in the mail.

The following benefits will remain active during your period of personal leave. Plans that require payment will be canceled if timely payments are not made.

- Voluntary Life and Voluntary AD&D
- Prepaid Legal
- Pet Veterinary Discount Plan and Pet Prescription Savings Plan
- Group Life and AD&D – company paid benefits.

While an employee is on unpaid leave, they do not accrue sick leave, vacation leave, and may not charge time to Holiday/Office Closure.

You will be eligible for reinstatement upon your return to work. You will not have to satisfy the waiting period if you return to work within 90 days of your leave start date. If your Voluntary Life insurance cancels for non-payment, you will be required to reapply by completing an EOI (Evidence of Insurability) form.

**Jury Duty**

If you are required by court to serve on jury duty, or are subpoenaed as a witness, please notify your supervisor immediately. You must provide your supervisor and Human Resources with a copy of the documentation of your jury duty assignment from the Clerk of the Court in order to be paid for the period during which you attended jury duty. You will be expected to report to work if there is a temporary release from jury duty or when sessions are postponed. If Kearney deems that it is not possible for an employee to miss work due to business necessity, the employee shall request to be excused from jury duty. Full-time employees, and part-time employees working 32 hours or more per week may be compensated for up to 40 hours of jury duty time or duty as a witness in a 12-month period..

**Bone Marrow and Organ Donation Leave**

Kearney provides paid and unpaid leave for organ and bone marrow donation and recovery to full time employees and part time employees working 32 hours or more per week. Employees receive 60 business days of unpaid leave, including up to ten business days of paid leave, to serve as an organ donor in any 12-month period. Kearney also provides 30 business days of unpaid leave, including up to five business days of paid leave, to serve as a bone marrow donor in any 12-month period. Employees may use paid sick leave, vacation, and/or compensatory time for the time frame not covered by paid leave. Employees may also be eligible for Short and/or Long-Term Disability benefits through Kearney's benefit Provider but must undergo medical review to determine eligibility.

Written physician verification must be provided to the employer stating the eligible employee has been selected as an organ or bone marrow donor, and there is a medical necessity for the organ or bone marrow donation. Employees may not take organ donation leave concurrently with leave taken under the Federal Family and Medical Leave Act. Kearney will maintain health care benefit plan coverage for the duration of the leave. Employees are entitled to be restored to the same or an equivalent position and retaliatory action against employees for taking organ donor leave is prohibited.

**Days of Giving**

The Days of Giving Initiative fosters the belief of contributing to greater causes beyond Kearney's mission. Kearney offers each team member up to four hours of paid time per year to perform one community service event. Teams should choose and participate in an event together.

Each team should designate a team lead to reach out to the Community Service Committee (CSC) with a proposed charity, activity, and any materials needed. Please provide the charity organization name, Employer Identification Number (EIN), and website in the request. Upon reviewing the proposal, the CSC will work with each team to sort out the necessary logistics, approve the activity, and provide a charge code. If teams are unsure what Charity to choose, please reach out to the CSC to assist in the selection process.

Fully remote team members not located near their Kearney team are still encouraged to participate. Remote team members are also encouraged to coordinate with their teams and plan an event during a trip that brings them back to headquarters (e.g., All Hands Meeting, Summer Picnic, Holiday Party). Otherwise, the community service event may be performed individually, pending approval from their engagement lead and the CSC. Remote team members should submit their individual community service request(s) at the time the team is coordinating/obtaining approval for their overall team event. Finally, if a remote team member would like to participate in the program but their team does not currently have any plans to do an activity, please contact the CSC to coordinate.

The Days of Giving event will take the place of one of four quarterly team-bonding events that managers are provided annually.

## **VII. Expenses/Travel**

Kearney reimburses employees for expenses incurred for the benefit of the Company. Approved travel and business/work-related expenses will be reimbursed related to lodging, meals, miscellaneous travel associated with work-related matters, as well as other business/work-related items/programs/events in accordance with the expense reimbursement policies adopted by Kearney, and Federal Travel Regulations (FTR). Employees must submit accurate business expenses in accordance with FTR. Travel and expense reimbursement requests that are inaccurate, inflated, or based on fictitious expenses will be considered fraudulent. Kearney has zero-tolerance for employees that submit inappropriate or fraudulent reimbursement requests.

Expense reports must be submitted to the Accounting Department with receipts attached in a timely manner. All expense reports pertaining to a completed project must be submitted to the Accounting Department within two weeks of that date. Travel expense reports should be turned in within three days of completing a trip. If employees come home on Friday expense reports should be turned in by Monday. If employees are traveling for an extended period of time they must turn in expenses every two weeks. Expenses need to be billed to the client in a timely manner. Employees should not hold billable expenses for more than two weeks. Local travel expenses can be turned in every two weeks or once a month. No expenses should be held for more than one month unless the total amount is under \$25.00. Kearney does not process checks for under \$25.00. Small expenses can be held until employees have enough to meet the minimum amount.

## **Submitting your Expenses in Concur**

Employees must use Concur Expense to submit expense reports for reimbursement of Company expenses only. Please refer to the Concur Expense training guides found on Kearney Connect or training videos and manuals on [www.concursolutions.com](http://www.concursolutions.com).

## **American Express Credit Card**

All employees are issued a Corporate American Express card. This card **must** be used for all Kearney-related expenses. When submitting reimbursement for expenses charged to American Express via Concur, the charge is tagged as American Express in Concur and when the expense report is processed, the payment for those expense lines go directly to American Express. Any other charges indicated as Out of Pocket on the expense report, are reimbursed to the employee's bank account. Employees are responsible for paying any remaining balance on the American Express bill once received. In the rare occasion that American Express is not accepted by a vendor, then a personal credit card or cash can be used.

## **Lodging**

Reimbursement for lodging with friends or relatives is not permitted. In accordance with the FTR you may not seek reimbursement for the cost of comparable lodging in the area or a flat "token" amount. Also, you will not be reimbursed for any lodging expenses for staying at your personally owned residence or for any real estate expenses associated with the purchase or sale of a personal residence at the Temporary Duty (TDY) location. You will not be reimbursed any expense associated with the purchase, sale or payment of a recreational vehicle or camper at the TDY location.

## **Mileage**

Employees will be reimbursed for billable mileage in accordance with the rate per mile established by the General Services Administration's (GSA) FTRs. Non-billable mileage will be reimbursed in accordance with Kearney's Non-Billable policy at a rate per mile established on an annual basis by Kearney. Employees should contact the Accounting Department if they have any questions concerning the submission of expense vouchers.

## **Rental Car**

When renting a car, you may be offered a fuel option to pre-purchase a tank of gas upon pick up, insurance, or upgrades. The fuel option assumes that you will be returning the car with a completely empty tank, which rarely ever happens. Due to the current high fuel costs, some pre-purchase options can cost as much as \$150.00. Since this is a pre-purchase, it is a non-reimbursable expense. Therefore, under no circumstances should an employee purchase the fuel option when renting a car. Employees should also decline insurance coverage. Employees are covered on the Kearney insurance policy. If employees do not decline the insurance coverage,

they will be personally responsible for this expense. Last, Kearney does not reimburse or pay for upgrades. If employees accept an upgrade and are billed for it, they will need to record this as a personal expense.

Misuse or violation of Company policy and/or FTR may result in disciplinary action up to and including termination.

### **Non-Billable Expense**

Kearney & Company, P.C. (Kearney) expects staff members to incur expenses that cannot be billed to the client. In this policy, you will find an outline of the rules and regulations that Kearney follows for all Direct Non-Billable expenses that will be reimbursed.

When entering the expense report, please be sure to use the following:

- **Cost Pool:** Non-billable
- **Charge Code:** Be sure to use the Non-billable job code associated with the project to which you are charging your time.

Expense categories will depend on type of expenses, as explained below. Commuting expenses are cross-referenced with your timesheet. If you have no billable time on a specific day, you should not be claiming commuting expenses.

### **Commuting Expense**

Some employees are required to work on a daily basis at a client location. In these cases, the client location is considered the normal duty location of the employee. A normal duty location is defined by the Internal Revenue Service (IRS) as a location of “frequent occurrence.” If you are not sure whether your location is considered a normal duty location, please contact the Accounting Department via [expensereports@kearneyco.com](mailto:expensereports@kearneyco.com).

Kearney will reimburse for any commuting expenses *in excess* of normal commuting to the Kearney Alexandria office. This includes weekdays, weekends, and holidays. Kearney does not reimburse for Uber/taxi charges for commuting. The only exceptions for Uber/taxi charges are noted in [Commuting - Metro](#) and [Commuting - VRE](#).

The IRS has imposed a monthly limit that can be reimbursed by an employer on a tax-free basis for commuting expenses. The monthly limit is \$260/month for 2018. As required by the IRS, any reimbursement in excess of the IRS limit (i.e., \$260.00) will be transferred to an employee’s wages at the end of the year and be considered taxable income.

[Sections Commuting - Mileage](#) through [Commuting - Parking](#) detail the expenses that will be reimbursed for commuting. Concur is updated with expense types for commuting expenses. All expenses covered in this section should be entered in Concur using these expense types.



### Commuting – Mileage

Mileage will be reimbursed if the number of miles traveled to your normal duty location is in excess of the numbers of miles to your regular work location (Kearney Alexandria Headquarters [HQ] location). Kearney will reimburse the miles at the IRS mileage rate published yearly. The 2018 mileage rate is \$0.545 (*Example #1*). You will need to use the Mileage Calculator in Concur when submitting mileage for reimbursement.

When entering your mileage into Concur, your starting location will need to be the Home Office location of 1701 Duke Street.

#### *Example #1*

- **Home to Kearney Alexandria Office:** 11 miles (Round trip)
- **Home to the Client sit in Hyattsville, MD:** 18 miles (Round trip).

Kearney will reimburse the employee for the additional seven (7) miles to the client site at the \$0.545 rate per mile each way.

### Commuting – Metro

The Commuting – Metro/Virginia Railway Express (VRE) will include subway, metro, and VRE. Subway costs to client sites (i.e., your normal duty location) will be reimbursed. We will only reimburse the actual fare cost up to the fare cost from the Kearney HQ location/King Street Metro to the client site. If you use a rechargeable Smart Trip card, you will still need to break out your daily fare amount when submitting an expense report into Concur for reimbursement.

In addition to metro fare reimbursement, employees may receive parking reimbursement up to \$5.00 per day. Metro fare or parking will not be reimbursed if you are paid for a monthly parking pass.

At times during the year, you might be required to work longer hours. If the Metro is not a viable safe option for your commute, you can submit an Uber/taxi expense, provided you have received an e-mail approval from your Partner/Principal.

### Commuting – VRE

The Commuting – Metro/VRE will include subway, metro, and VRE. VRE costs to client sites (i.e., your normal duty location) will be reimbursed. We will only reimburse the actual fare cost up to the fare cost from the Kearney HQ location/King Street to the client site.

When you purchase your fare ticket, you will have the option of single, daily, five-day pass, 10-ride pass, or monthly. If you choose a multiple day or multiple rides pass, you will need to know what the daily rate is for that pass. You will be able to allocate a date range for the amount and

Concur will allocate the amount over the date range selected.

You will need to enter the expense into Concur showing the daily rate. If your daily rate is under \$25.00, please forward copies of your VRE pass to [expensereports@kearneyco.com](mailto:expensereports@kearneyco.com).

In addition to VRE fare reimbursement, employees may receive parking reimbursement up to \$5.00 per day. VRE fare or parking will not be reimbursed if you are paid for a monthly parking pass.

At times during the year, you might be required to work longer hours. If VRE is not a viable safe option for your commute, you can submit an Uber/taxi expense, provided you have received an e-mail approval from your Partner/Principal.

### Commuting – Parking

If you drive to a client site and need to pay for parking, Kearney will reimburse you for the full amount of your parking expense. You may be given the option of paying for a monthly parking pass. If you choose this option, Kearney will reimburse you for the monthly parking rate. You should enter the full amount into Concur allocated to the day you were charged.

If you are transferred to a different normal duty location mid-month after purchasing a monthly pass, you should either inquire about a credit from the vendor or transfer to another Kearney employee via Resource Management. When entering your daily parking expenses into Concur, please be sure to allocate the charges on the days you were charged.

Parking is provided to employees at Kearney office locations. Even though an employee does not expense the parking, the parking benefit is still subject to the monthly IRS limit. The current office parking rates are below the IRS maximum.

### Local Travel

Local travel expenses are not the same as the expenses mentioned in the commuting section; therefore, they are not subject to the monthly IRS limit. These expenses are related to job duties *performed at locations except for the normal duty location*, as defined in [Commuting](#).

Listed below are the expenses that will be reimbursed for local travel. All expenses covered in this section should be entered in Concur using these expense types.

- **Local Travel Parking:** This parking is required for job-related duties performed at an alternate location to the normal duty station
- **Local Travel Taxi/Uber:** An Uber/taxi expense can be used in lieu of parking. The claimed amount cannot exceed the parking rate plus mileage
- **Local Travel Mileage:** Kearney will reimburse the round-trip mileage for travel to the alternate location

- **Local Travel Subway/Metro:** Kearney will reimburse the round-trip subway/metro expense for travel to the alternate location.

### **Other Non-Billable Expenses**

There may be an occasion when you travel for project purposes to an alternate location and your manager or the contract specifies that the travel is non-billable to our client. If this happens, enter all your expenses in Concur using the same “Non-Billable” Cost Pool. All of the expenses are entered using the appropriate expense types (e.g., airfare, lodging, car rental).

Please note that Kearney will reimburse for actual meals while on non-billable travel. Meal and team outing expenses are outlined in [Meals and Team Outings](#).

#### Meals and Team Outings

All meals or team outings over \$200.00 (total spend) and/or with more than eight (8) attendees must have prior approval before reimbursement is requested. Requests should be sent to Melanie Blados ([melanie.blados@kearneyco.com](mailto:melanie.blados@kearneyco.com)) for Brian’s approval. An approval e-mail must be attached with the receipt backup to the expense report.

Kearney will reimburse for an approved meal. This includes the quarterly meals, not to exceed the approved dollar amount (\$25.00) per person. Partners and Principals can also approve meal expenses during holidays and weekends.

All meal reimbursements **must** be accompanied by a complete list of attendees.

All meal reimbursements **must** be supported by the itemized receipt. This will be the receipt copy that includes that breakdown of everything that was ordered. Kearney **will not** reimburse without this receipt as backup.

All alcohol **must** be broken out and expensed separately. This also includes the tax and tip portion for the alcohol. Most restaurants are able to put the alcohol on a separate check. All items above must be satisfied before the meal expense can be reimbursed.

### **Timing**

All local travel expense reports can be submitted for reimbursement on a weekly, biweekly, or monthly basis. These expenses **must** be submitted into Concur for reimbursement within one month of the last day claimed on your expense report.

### **Helpful Links**

- Concur Expense – [www.concursolutions.com](http://www.concursolutions.com).

### **Contacts**

If you have any questions about the expense report process, please contact the Accounting Department by submitting a case in Kearney Connect.

### **Travel-Booking Service**

Kearney partners with Corporate Traveler to provide a user-friendly, online self-booking tool and agent-assisted business travel service to our employees. On an employee's first day of work, they will receive an email with login instructions for their Corporate Traveler account.

For questions about Corporate Traveler please contact Human Resources by submitting a case through Kearney Connect. For questions regarding accounting related matters, please contact Kellie Heraud, [kellie.heraud@kearneyco.com](mailto:kellie.heraud@kearneyco.com). To confirm rates and other engagement-related matters, please contact your Manager or Supervisor.

### **Corporate Card**

Kearney offers a Corporate Card Program whereby employees receive an American Express Card (AmEx) for business-related expenses. All travel and business expenses must be charged to your Corporate AmEx. The Company will not provide travel advances or accept charges made on personal cards (unless AmEx is not accepted at those locations). Corporate card monthly billing statements will be sent directly to employees by American Express. It is the employee's responsibility to ensure the AmEx bill is paid in a timely manner by submitting an expense report with the respective charges and documentation on time. Kearney will pay AmEx directly, once the expense report has been submitted and approved. It is important to remember these **cards are for business use only**. Misuse or violation of Company policy may result in disciplinary action up to and including termination.

If an employee leaves the Company prior to paying any remaining balance on the AmEx card, their last paycheck may be withheld, with proper authorization, to cover any unpaid balance. If the amount of the employee's last paycheck is insufficient to cover the unpaid balance, the employee must repay the Company within 15 days of the last day of employment.

### **Team Lunches**

Project managers are permitted to hold a business lunch for their team members and expense the lunch to Kearney. The business lunch is intended to boost team morale and improve communication among team members. At the project manager's discretion, the business lunch may be held once for short-term projects not exceeding a three-month timeframe. For long-term projects, the business lunch may be held every quarter when a major deadline is met, or challenging task is completed. The business lunch should not exceed \$25.00 per person. When appropriate, the business lunch can be substituted by a happy hour after work or an office gathering during lunchtime. Occasionally, the project manager can organize an additional business lunch or social gathering after obtaining approval from his/her respective partner, business unit partner or Brian Kearney.

When filing the expense report, the project manager must clearly document the purpose of the business lunch and the names of all attendees and submit proper supporting documentation such as invoices and/or receipts.

Any questions regarding this policy should be directed to the HR Department.

## Cell Phone Policy

All Partners and Principals are eligible for either a cell phone issued by Kearney (Company Plan), or reimbursement toward their own cell phone (Employee Purchased Personal Plan.) Senior Partners must approve eligibility of employees at a lower level based on job requirements. Senior Partners can approve employees at a lower level to receive a cell phone based on job requirements. Employees can choose to be reimbursed for their personal plan or join the Company Plan by transferring an existing number. Senior Partners will be asked to review the list of employees on a quarterly basis to determine if their employee's current role still requires use of a cell phone. If they determine it is no longer needed, then the Company will no longer pay for the cell phone.

### Company Plan

An employee may elect to join the Company plan. Contact IT ([IThelpdesk@kearneyco.com](mailto:IThelpdesk@kearneyco.com)) with appropriate approvals from your Senior Partner to receive a company purchased phone. The same Verizon plan is assigned to each company issued cell phone. Kearney will pay \$200 towards a new cell phone purchase every 2-years on the corporate plan. The employee will pay the remaining cost of the new cell phone.

A few things you can do to reduce charges:

- There are a few areas in the US that are not covered in the network so please be aware if your phone is roaming and limit data/voice usage to business only.
- Connect to home WIFI networks and at the main office to avoid data charges
- Inform IT ([IThelpdesk@kearneyco.com](mailto:IThelpdesk@kearneyco.com)) when you are traveling internationally so the plan can be adjusted if necessary.

### Employee Purchased Personal Plan

An employee may choose to use their personal phone for business or purchase a phone for work with the approval from their Senior Partner. The reimbursement chart below includes the maximum reimbursement amount for the monthly service charge and new cell phone based on position.

Position	Monthly Max <sup>+</sup>
Principal	\$ 110.00
Senior Manager Senior Consultants Certain internal roles	\$ 85.00
Manager / Consultants and Below Senior Associates Senior Analysts Associates	50% up to \$60

Analysts	
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<sup>+</sup> The maximum phone reimbursement includes monthly service charge and pro-rated phone reimbursement eligible amount.

An employee may choose to purchase their phone from their carrier in a lump-sum single transaction purchase or through a monthly payment plan. If you purchase a cell phone in a lump sum transaction, you may divide the full price of the phone over a 24-month period to calculate your monthly reimbursement amount up to the monthly maximum based on your position. If you purchase a phone using a monthly installment plan, you may also include the cost as part of your monthly reimbursement based on your position and monthly maximum.

### Utilization Scenarios

The following are examples of typical cell phone policy utilization scenarios:

#### ***Scenario A***

A Consultant has been preapproved for a cell phone from their Senior Partner for their engagement. The Consultant opts to use the Employee Purchased Personal Plan instead of the Company plan. They purchase a phone up-front for \$500 in a single transaction instead of paying for the phone in monthly installments. The monthly service fee for using their AT&T carrier is \$75.

- The Consultant is eligible to be reimbursed 50% up to \$60 for their monthly service plan. The Associate's monthly service fee is \$75 and divided in half (50%), they are eligible for \$37.50 for service plan reimbursement.
- The Consultant can receive a reimbursement amount of \$37.50 for their monthly service plan reimbursement.
- The Consultant purchased their cell phone in one lump-sum single transaction for \$500. Kearney will reimburse for cell phones purchased up-front in a single transaction. The \$500 divided by 24 equals a \$20.83 monthly cell phone invoice. Kearney will pay for 50% of the monthly phone invoice for an eligible reimbursement amount of \$10.42.
- The Consultant can receive \$37.50 reimbursement of their service plan and \$10.42 for their cell phone purchase.
- Altogether, the Consultant may claim a monthly reimbursement amount of \$47.92, which does not exceed the monthly maximum of \$60.

#### ***Scenario B***

A Senior Manager has elected to move forward with an Employee Purchased Personal Plan instead of the Company Plan to cover their service charges. Additionally, the Senior Manager purchases an \$800 phone and chooses to pay for the phone in monthly installments within a 2-year time frame. The monthly service fee for using their Sprint carrier is \$60.

- The Senior Manager is eligible to be reimbursed up to \$85 for their monthly service plan. The Senior Manager's monthly phone plan invoice is \$60 monthly, which is within the maximum allotted reimbursement amount.
- The Senior Manager purchased a phone using multiple installment payment plan to pay for their cell phone. The Senior Manager's phone monthly invoice is \$33.33. With \$60 covering the monthly service plan, the Senior Manager has \$25 available to cover their cell phone invoice.

- The Senior Manager is eligible for \$25 reimbursement for their cell phone invoice. The remaining \$8.33 is not eligible for reimbursement.
- Altogether, the Senior Manager may claim a monthly reimbursement amount of \$85 for carrier service and phone invoice, which does not exceed the monthly maximum of \$85.

## **VIII. HEALTH AND SAFETY PLAN**

### **Objective**

The Health and Safety Plan of Kearney is designed to comply with the Standards of the Occupational Safety and Health Administration (OSHA) and to endeavor to maintain a safe and injury-/illness-free workplace. A copy of the OSHA Safety and Health Standards 1910 are available for all employees on the Kearney Intranet. These Standards shall be available to be sent to clients upon request.

Compliance with the following Health and Safety Plan and all items contained therein is for all employees of the Company. The authorization and responsibility for enforcement has been given primarily to the Chief People Officer. The individual supervisors (on-site Project Managers) share in this responsibility as well.

### **Rights and Responsibilities**

The purpose of Occupational Safety and Health Act of 1970 is to establish rights and responsibilities of employers and employees alike in matters related to workplace safety. Under OSHA, every employee at Kearney has the following rights:

- You have the right to a place of employment free from recognized hazards likely to cause death or serious physical harm
- You have the right to notify your employer or OSHA about workplace hazards (unsafe conditions, near misses, and incidents). First, notify your immediate supervisor, then a higher-level supervisor or the Chief People Officer if necessary. If the issue cannot be resolved in-house, contact OSHA
- You cannot be retaliated against for filing a report with OSHA or Kearney. However, if you wish, you will be granted confidentiality at both the in-house level and at OSHA.

Likewise, OSHA maintains that employees have responsibilities in the following ways:

- You must not overlook a safety or environmental hazard
- You are expected to work safely and help fellow workers remain safe
- Everyone is responsible and accountable for safety and occupational health
- You assume personal responsibility for understanding the safety and environmental risks and policies associated with your work-related activities and are expected to take immediate action to correct or isolate unsafe conditions and practices



- You and your supervisor must ensure that effective safety principles are incorporated into the planning and execution of all activities
- You are strongly encouraged to participate in safety training
- You are expected to cooperate with safety and health personnel during inspections, surveys, and investigations
- Notify a supervisor of all hazards and unsafe conditions, mishaps, and near-miss incidents.

**Disclaimer**

Although OSHA does not require professional service firms to have a written safety plan, it is Kearney's intention to create a proactive approach to providing safe and healthful working conditions for its employees. Kearney acknowledges that there are no existing standards (as of September 2014) for our industry's North American Industry Classification System (NAICS) code 5416, as cited by Virginia OSHA. See

[https://www.osha.gov/pls/imis/citedstandard.naics?p\\_naics=5416&p\\_esize=250-9999999999&p\\_state=VAVirginia](https://www.osha.gov/pls/imis/citedstandard.naics?p_naics=5416&p_esize=250-9999999999&p_state=VAVirginia)

In accordance with Code of Federal Regulations (CFR) 29, § 1904.2(a)(1) – Partial exemption for establishments in certain industries; “If your business establishment is classified in a specific low hazard retail, service, finance, insurance, or real estate industry listed in Appendix A to this Subpart B, you do not need to keep OSHA injury and illness records unless the Government asks you to keep records under § 1904.41 or § 1904.42.” As such, Kearney does not maintain injury and illness records on a recurring (monthly) basis. This exemption does not include Kearney's compliance with § 1904.39(a) to report within eight hours the death of any employee from a work-related incident or the in-patient hospitalization of three or more employees as a result of a work-related incident. We also report workplace injuries resulting in worker's compensation claims to the appropriate OSHA regulatory body on an annual basis.

Additionally, on September 11, 2014, OSHA announced changes to the list of industries that are exempt from the requirement to routinely keep OSHA injury and illness records, and to the list of severe work-related injuries and illnesses that all covered employers must report to OSHA. For additional information, see <https://www.osha.gov/recordkeeping/index.html>.

In accordance with CFR Title 29, Subtitle B, Chapter XVII, Part 1925 – Safety and Health Standards for Federal Services Contracts:

“The McNamara-O'Hara Service Contract Act of 1965 (79 Stat. 1034, 41 U.S.C. 351, et seq.) requires that every contract entered into by the United States or the District of Columbia in excess of \$2,500 (except as provided in section 7 of the Act), the principal purpose of which is to furnish services in the United States through the use of service employees, must contain, among other provisions, a stipulation that “no part of the services covered by this Act will be performed in buildings or surroundings or under working conditions, provided by or under the control or supervision of the contractor or any subcontractor, which are unsanitary or hazardous or dangerous to the health or safety of service employees engaged to furnish the services.” This part 1925 expresses certain

minimum safety and health standards which will be applied in the administration and enforcement of the Act to determine whether services covered by the Act are being, or have been, performed in compliance with its safety and health requirements.”

Kearney’s clients are exclusively Federal customers. As such, Kearney considers the plan set forth in this document to incorporate by reference compliance with CFR 1925 both at its home office locations and while on-site at client offices, facilities, or locations on a client’s behalf. Additionally, while on-site with Federal clients, as a Kearney employee you are expected to become familiar with and follow all applicable agency Health and Safety Plans for that agency and facility.

## **Exemptions**

Kearney considers the following material under CFR 29, Part 1910 – *General Industry*, to be **not** applicable to a professional services company. All other Subparts of 1910 are addressed based on applicability in this plan. Therefore, they are excluded from this plan and would be considered on an individual basis for incorporation upon changing conditions.

- 1910 Subpart D - Walking-Working Surfaces
- 1910 Subpart F - Powered Platforms, Manlifts, and Vehicle-Mounted Work Platforms
- 1910 Subpart G - Occupational Health and Environmental Control
- 1910 Subpart H - Hazardous Materials
- 1910 Subpart I - Personal Protective Equipment
- 1910 Subpart J - General Environmental Controls
- 1910 Subpart M - Compressed Gas and Compressed Air Equipment
- 1910 Subpart N - Materials Handling and Storage
- 1910 Subpart O - Machinery and Machine Guarding
- 1910 Subpart P - Hand and Portable Powered Tools and Other Hand-Held Equipment
- 1910 Subpart Q - Welding, Cutting, and Brazing
- 1910 Subpart R - Special Industries
- 1910 Subpart S - Electrical
- 1910 Subpart T - Commercial Diving Operations
- 1910 Subpart Z - Toxic and Hazardous Substances.

In addition, Kearney has excluded the following Parts in their entirety:

- Part 1915 – Occup. Safety and Health Standards for Shipyard Employment
- Part 1917 – Maritime Terminals
- Part 1918 – Safety and Health Regulations for Longshoring
- Part 1926 – Construction
- Part 1928 – Agriculture.

Additionally, Kearney has determined under Part 1952 – *Approved State Plans for Enforcement of State Standards* that the state of Virginia does not currently require any additional Safety and Health provisions over and above those listed here in compliance with CFR 29; see Section III above.

Last, Kearney has listed that under § 1904.2(a)(1), we do not currently maintain injury and illness records for recurring (monthly) reporting under the exemption listed in Section III of this plan. See the same section for reporting requirements that are applicable to Kearney.

## **Policy**

It is company policy that accident prevention be a prime concern of all employees. This includes the safety and well-being of our employees, as well as the prevention of wasteful, inefficient operations, and damage to property and equipment. Kearney does not assume responsibility for subcontractors and clients.

## **Applicability**

This Health and Safety Plan applies to all employees of Kearney, regardless of position within the Company. The Safety Rules contained herein apply to all employees and incorporates by reference the health and safety provisions of the owners of our tenant properties. Every employee is expected to comply with the Health and Safety Plan, OSHA Health and Safety Standards, as well as client safety programs while on-site.

## **Implementation**

This Health and Safety Plan supports fundamental means of maximum employee involvement, which include management's commitment to safety, availability of this Plan to all employees, and assurances from employees for compliance. On an annual basis, employees will be required to review this Health and Safety Plan and assert, via electronic or manual signature, their understanding of and their responsibility for complying with the requirements set forth in this Plan.

## **Administration**

The Health and Safety Plan will be carried out according to guidelines established and published in this and other related procedures. Specific instructions and assistance will be provided by the Chief People Officer as requested. Each supervisor will be responsible for monitoring compliance with all of the requirements of the Health and Safety Plan and for maintaining an effective accident prevention effort within his or her area of responsibility. Each supervisor (project manager) must also ensure that all accidents are thoroughly investigated and reported to the Chief People Officer on the same day of the occurrence.

## **Reporting of Injuries**

All employees will be held accountable for filling out a "Notice of Injury Form" immediately after an injury occurs, even if medical treatment is not required, unless the injury is determined not to be reportable under CFR 29, § 1904.7 – *General Reporting Criteria*. Notice must be made at or near the time of the injury and on the same day of the injury. If the injury occurs on a client

site, the agency site safety officer, and Contracting Officer's Technical Representative (COTR) also must be notified. Employees must report the injury to their supervisor/project manager, the Chief People Officer, etc. A casual mentioning of the injury will not be sufficient. Employees must let their supervisor know:

- How they think they hurt themselves
- What they were doing at the time
- Who they were working with at the time
- When and where it happened
- Other pertinent information that will aid in the investigation of the incident
- Additionally, the employee and supervisor must follow client procedures to the extent required and applicable if the injury occurs at a client location.

Failure to report an injury immediately (meaning at or near the time of the injury and on the same day of the injury) is a violation of the Safety Plan and may result in disciplinary action up to and including immediate termination, in accordance with company policy.

## **Notifications**

### **A. In Case of Serious Injury or Death**

After the injured has been taken to the hospital, the supervisor must notify the Chief People Officer and/or Chief Operating Officer as soon as possible. Statements from witnesses shall be taken. Statements are to be signed by witnesses and should include the time and date. Photographs of the area where the incident occurred and any other relevant items are to be taken. The Chief People Officer will assist in the investigation. The completed accident report form will be sent to the main office.

### **B. In Case of Inspection by OSHA Inspector**

The supervisor must notify the Chief People Officer that an OSHA Inspector is on the client site. It is the responsibility of all employees to make the inspector's visit at the client site as pleasant and timely as possible.

## **Basic Safety Rules**

- A. Compliance with applicable Federal, state, county, city, client, and company safety rules and regulations are a condition of employment.
- B. All injuries, regardless of how minor, must be reported to your supervisor and the Chief People Officer immediately. An employee who fails to fill out a "Notice of Injury Form" and send it to the Chief People Officer can be issued a safety violation notice and may be subject to termination, in accordance with company policy. In the event of an accident involving personal injury or damage to property, all persons involved in any way may be required to submit to drug testing, at management's discretion.

- C. All personnel will be required to attend safety meetings as stipulated by project requirements in order to meet OSHA Safety Standards, when they are applicable.
- D. Illegal drugs are not allowed on company property or in company vehicles at any time. The use or possession of illegal drugs on company property or the client site will result in disciplinary action up to and including termination. Firearms are not allowed on company property or at the client site at any time. The possession of a firearm on company property or the client site will result in disciplinary action up to and including termination.
- E. Housekeeping shall be an integral part of every job. Supervisors and employees are responsible for keeping their work areas clean and hazard-free. Cleanup is required when a job is finished at the end of the day.
- F. Beverage containers are to be used for drinking water, beverages, and ice only. Tampering with or placing items in the water coolers or beverage and water dispensers will result in disciplinary action up to and including termination.
- G. All extension cords, drop cords, and electrical tools shall be checked and properly grounded with Ground Fault Interrupters (GFIs) each month. Cords and equipment that are in disrepair shall be immediately removed from service until repairs have been made.
- H. "Horseplay" on the job site is strictly prohibited. Running on the job site is allowed only in extreme emergencies.
- I. The speed limit for driving in Kearney-sponsored parking areas and client-provided parking facilities is 10 miles per hour (MPH) or as posted by the facility.
- J. All ladders must be in safe condition without broken rungs or split side rails. Damaged ladders shall be removed from service. Ladders shall be secured at the top and bottom and extend three (3) feet past the working surface. Metal ladders around electrical work are prohibited. A stepladder shall never be used as an extension ladder. A stepladder must only be used when fully opened with braces locked.
- K. Report all unsafe conditions and near accidents to the Chief People Officer so corrective action can be taken.
- L. All floor openings or excavations shall be barricaded on all sides to ensure employees are aware of the hazards. Floor holes shall be covered, with the covers secured and clearly marked.
- M. Employees are responsible for knowing the location of safety equipment, such as fire extinguishers and fire-alarm pull stations. Employees are not required to fight fires but may extinguish small fires (e.g., trash can fire) with a fire extinguisher if they have received training and feel comfortable doing so. In case of a fire emergency, employees should alert personnel in the immediate area and pull the fire alarm if accessible. Evacuate the building using the stairwells and wait for emergency response personnel to give you permission to reenter the building. Employees should also make themselves familiar with the fire emergency procedures for client sites.
- N. In the case of inclement weather, Kearney follows the Federal Government's direction announced by the OPM in determining whether or not the office will be open or closed. However, when the Federal Government is on a delayed operating status, employees will be expected to make up the time missed that was used to get to the work site in a safe manner. Please review the details regarding safety in

- inclement weather in Kearney's Inclement Weather Policy, which can be found on the Intranet.
- O. Warning signs, barricades, and tags will be used to fullest extent and shall be obeyed.

**Safety Training**

Safety and Health training is available to employees via Percipio (<https://kearneyco.percipio.com>) and can be located on Kearney Connect.

**Enforcement of Safety Plan**

Safety violation notice(s) shall be issued by the Chief People Officer to any employee violating the safety rules or regulations.

- A. Any violation of safety rules can result in disciplinary action including immediate termination
- B. Any employee receiving three (3) written general violations within a six (6)-month period may be considered for termination
- C. Issuance of a safety violation notice for failure to report a job injury (at the time of the injury) may result in immediate termination, in accordance with company policy.

**It is understood that Kearney is not restricting itself to the above rules and regulations. Additional rules and regulations as dictated by the job will be issued and posted as needed.**

**Attachment A-Job Safety Checklist**

The following Job Safety Checklist has been condensed and adapted from the Occupational Safety and Health Act, Part 1926, Construction Safety and Health Regulations, for the applicability of Kearney & Company, P.C.'s (Kearney) professional services operating environment. Kearney has prepared this checklist for the convenience of its employees; however, Kearney does not require its use at any Kearney property or client site, as the sole business function performed by Kearney and its employees occurs in the professional services environment and is therefore not applicable. To the extent required and available, Kearney personnel should use safety tools provided by the client (Government).

**A. Safety Rules**

- \_\_\_\_\_ Appropriate shoes worn.
- \_\_\_\_\_ Work areas safe and clean.
- \_\_\_\_\_ Electrical cords and equipment properly grounded with ground fault interrupters (GFIs) in place and checked on a monthly basis.

**B. Recordkeeping**

- \_\_\_\_\_ OSHA poster "Safety and Health Protection on the Job" posted.
- \_\_\_\_\_ OSHA 200, "Log or Occupational Injuries and Illnesses" posted during the month of February only (applicable to Kearney reporting only).

**C. Housekeeping and Sanitation**

- \_\_\_\_\_ General neatness.
- \_\_\_\_\_ Regular disposal of trash.
- \_\_\_\_\_ Passageways, driveways, and walkways clear.
- \_\_\_\_\_ Adequate lighting.
- \_\_\_\_\_ Waste containers provided and used.
- \_\_\_\_\_ Adequate supply of drinking water.
- \_\_\_\_\_ Sanitary facilities adequate and clean.
- \_\_\_\_\_ Adequate ventilation.

**D. First Aid**

- \_\_\_\_\_ First aid stations with supplies and equipment. The expiration dates of supplies checked monthly. Expired supplies discarded.
- \_\_\_\_\_ Trained CPR personnel.
- \_\_\_\_\_ Injuries promptly and properly reported.

**E. Fire Protection**

- \_\_\_\_\_ Fire extinguishers charged and identified.



\_\_\_\_\_ “No Smoking” signs posted.

#### F. Electrical

\_\_\_\_\_ All portable equipment, tools, and cords properly grounded (GFIs properly installed).  
\_\_\_\_\_ Tests of cords, tools, and equipment for continuity and correct attachment of the equipment grounding connector (GFI) to the proper terminal made every month and:

1. Prior to first use
2. Prior to return to service after repairs
3. Prior to return to service after incident that may have caused damage to cord or equipment.

\_\_\_\_\_ Cords and equipment not meeting requirements immediately removed from service until repairs have been made.

#### G. Ladders

\_\_\_\_\_ Inspected at regular intervals.  
\_\_\_\_\_ No broken or missing rungs or steps.  
\_\_\_\_\_ No broken or split side rail.  
\_\_\_\_\_ Extend at least 36 inches above landing and are secured.  
\_\_\_\_\_ Side rails of 2 x 4 up to 16 feet, or 3 x 6 over 16 feet.

#### H. Guardrails, Handrails and Covers

\_\_\_\_\_ Guardrails, handrails, and covers installed wherever there is danger of employees or materials falling through floors, roofs, or wall openings and shall be guarded on all exposed sides.

\_\_\_\_\_ Posts at least 2 x 4 stock and spaced no more than eight (8) feet apart.

\_\_\_\_\_ Top rail 42 inches above the floor and of 1 x 4 stock.

\_\_\_\_\_ Intermediate rail 21 inches above the floor and of 1 x 4 stock.

\_\_\_\_\_ Guardrail assemblies around floor openings equipped with toe boards. Toe boards at least four (4) inches above the floor level with no more than 1/4-inch clearance above the floor level, when there are employees below or when conditions dictate.

\_\_\_\_\_ Hole covers permanently attached to the floor or structure and identified with a hole cover sign stenciled with the word “Danger.” Hole covers for holes two (2) inches or greater in diameter made of at least 3/4-inch plywood or heavier.

**Attachment B- Employee Acknowledgement**

I acknowledge that I have received a copy of Kearney's Policies and Procedures Manual. I agree to read it thoroughly and agree that if there is any policy or provision in the Handbook that I do not understand, I will seek clarification from the HR Department. I understand that Kearney is an "at will" employer and as such, employment with Kearney is not for a fixed term or definite period and may be terminated at the will of either party, with or without cause, and without prior notice. No supervisor or other representative of the Company (except the CEO and/or Chief Operating Officer, in writing) has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above. In addition, I understand that this Handbook states Kearney's policies and practices in effect on the date of publication. I understand that nothing contained in the Handbook may be construed as creating a promise of future benefits or a binding contract with Kearney for benefits or for any other purpose. I also understand that these policies and procedures are continually evaluated and may be amended, modified, or terminated at any time.

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Print Name

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Signature

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Date

## **VIII. SEPARATION FROM EMPLOYMENT**

### **Voluntary Termination**

Voluntary termination occurs when separation is initiated by the employee as a result of resignation, or upon mutual agreement between the employee and his or her supervisor that voluntary resignation is beneficial for the employee and Kearney.

All employees voluntarily terminating must submit a written letter of resignation to their immediate supervisor. Once the supervisor is aware, the employee should submit the letter of resignation electronically to Human Resources, by e-mail or through a Kearney Connect case. It is desired that such notice be given two (2) weeks in advance of the anticipated termination date.

All terminating employees will out-process via the HR Department as their last stop. The following steps will take place:

- Separation interview
- Access privileges will be removed, including computer accounts, authentication tokens, and control of keys
- Turnover of all Company property, including laptop and all components, cell phone, pass cards, etc.
- The employee will be briefed on the continuing responsibilities for confidentiality and privacy, return of property, and continued availability of data.

During the "notice of termination" period, an employee may be assigned to a restricted area and function, or Kearney may elect to terminate the employment relationship immediately.

### **Involuntary Termination**

Involuntary termination is initiated by Kearney.

Once termination notice has been given to the employee, Kearney retains the right to escort the employee throughout the building until he or she departs from the premises. All terminating employees will out-process via the HR Department as their last stop. The following steps will take place:

- Access privileges will be removed, including computer accounts, authentication tokens, and control of keys system at the same time (or just before) the employee is notified of his or her termination
- Packing of personal belongings
- Separation interview
- Return of all Company property, including laptop and all components, cell phone, pass cards, etc.
- The employee will be briefed on the continuing responsibilities for confidentiality and privacy, return of property, and continued availability of data.

During the "notice of termination" period, an employee may be assigned to a restricted area and function.

**Rehires**

Kearney welcomes alumni who left the Firm in good standing. Prior employees may return to Kearney on a one-time basis. Employees with a break in service of less than two years will have their prior service count toward their vacation accrual. Employees who have a break in service of more than two years will not have their prior service count toward their vacation accrual. All breaks in service will not count toward anniversary acknowledgements.

If three weeks of vacation is given at the time of rehire due to job level or a competing offer, the next vacation accrual rate increases to 17 days of vacation per year will take place in 36 months, regardless of prior service.

Kearney's 401(k) program has alternative requirements for rehired employees. If an employee was fully vested at the time of their departure, they will continue their vested status when they are rehired. If a rehired employee was not fully vested at the time of their departure and they have less than a five-year break in service, they will receive vesting credit for the previous Kearney service.

If a rehired employee was not vested at the time of their departure and they have more than a five-year break in service, they will forfeit any previous Kearney service as it relates to the vesting schedule. The rehired employee will be treated as a new participant with no service in the plan.

**Reference Question Responses**

Reference calls or written requests for employment verification will be handled by HR. Kearney will only provide verification of dates of employment, salary, and job title.