

# **Milestone Technologies, Inc.**

## **EMPLOYEE HANDBOOK**

## TABLE OF CONTENTS

	<u>Page</u>
<b>SECTION I. <u>INTRODUCTION</u></b> .....	<b>1</b>
A. <u>Welcome from CEO</u> .....	1
B. <u>Purpose of the Employee Handbook</u> .....	2
<b>SECTION II. <u>HIRING AND EMPLOYMENT PROCEDURES</u></b> .....	<b>2</b>
A. <u>At-Will Employment</u> .....	2
B. <u>Immigration Law Compliance</u> .....	3
C. <u>Orientation</u> .....	3
D. <u>Introductory Period</u> .....	4
E. <u>Access to Personnel Files and Payroll Records</u> .....	4
F. <u>Job Postings</u> .....	5
G. <u>Internal Transfers</u> .....	5
H. <u>Employee Referral</u> .....	6
<b>SECTION III. <u>EQUAL OPPORTUNITY EMPLOYMENT</u></b> .....	<b>6</b>
A. <u>Policy Against Discrimination</u> .....	6
B. <u>Policy Against Harassment</u> .....	7
C. <u>Complaint Procedure</u> .....	9
D. <u>Policy Against Retaliation</u> .....	10
E. <u>External Complaints</u> .....	10
F. <u>Reasonable Accommodation</u> .....	10
G. <u>Conflicts of Interest Involving Employees Related to Each Other or With Special Relationships</u> .....	11
H. <u>Genetic Information Non-Discrimination Act of 2008 (GINA)</u> .....	12
<b>SECTION IV. <u>HOURS OF WORK, OVERTIME AND ATTENDANCE</u></b> .....	<b>12</b>
A. <u>Definitions of Employment Status</u> .....	12
B. <u>Scheduling and Overtime Provisions for Non-Exempt Employees</u> .....	13
C. <u>Attendance and Punctuality</u> .....	14
D. <u>Time Cards</u> .....	14
E. <u>Requests for Time Off</u> .....	15
F. <u>Make-up Time Policy</u> .....	15
G. <u>Work Breaks</u> .....	16
H. <u>Hours Worked</u> .....	17
I. <u>Paydays</u> .....	18
J. <u>Pay Deductions</u> .....	19
K. <u>Inclement Weather and Emergency Office Closures</u> .....	19
L. <u>Travel Expense Reimbursement</u> .....	19
<b>SECTION V. <u>EMPLOYEE EVALUATIONS AND DISCIPLINARY ACTION</u></b> .....	<b>20</b>
A. <u>Performance Review Appraisals</u> .....	20
B. <u>Merit Increases</u> .....	21

C. <u>Discipline</u> .....	21
<b>SECTION VI. <u>EMPLOYEE BENEFITS AND TIME OFF</u>.....</b>	<b>22</b>
A. <u>Employee Benefits (Overall)</u> .....	22
B. <u>Health Insurance Continuation</u> .....	23
C. <u>Social Security</u> .....	23
D. <u>Workers' Compensation</u> .....	24
E. <u>California State Insurance Benefits</u> (For California Employees Only).....	25
F. <u>Paid Time Off (PTO)</u> .....	26
G. <u>Holidays</u> .....	<b>Error! Bookmark not defined.</b>
H. <u>Sick Leave Benefits</u> .....	27
I. <u>Family and Medical Leaves</u> .....	29
J. <u>Pregnancy Disability Leave (PDL)</u> (For California Employees Only).....	38
K. <u>Personal Leave</u> .....	40
L. <u>Military Leave and the Uniformed Services Employment and Reemployment Rights Act (USERRA)</u> .....	41
M. <u>Leave for Spousal Military Leave</u> .....	41
N. <u>Court Appearances</u> .....	42
O. <u>Time Off to Vote</u> (For California Employees Only).....	42
P. <u>Time Off to Appear in a Child's School</u> (For California Employees Only).....	43
Q. <u>Time Off for Literacy Programs</u> (For California Employees Only).....	43
R. <u>Bereavement Leave</u> .....	43
S. <u>Victim of Domestic Violence, Sexual Assault Leave or Stalking</u> (For California Employees Only).....	43
T. <u>Leave to Attend Court Proceedings for the Victim of a Felony</u> (For California Employees Only).....	44
U. <u>Safety Personnel Leave</u> (For California Employees Only).....	44
V. <u>Organ and Bone Marrow Donor Leave</u> .....	45
W. <u>Alcohol and Drug Rehabilitation Leave</u> .....	45
X. <u>Civil Air Patrol Leave</u> (For California Employees Only).....	46
Y. <u>Accepting Other Employment During Leave of Absence</u> .....	46
Z. <u>General Entitlements during Leave</u> .....	46
<b>SECTION VII. <u>SAFETY ON THE JOB</u>.....</b>	<b>47</b>
A. <u>Safety Practices</u> .....	47
B. <u>Fire Safety</u> .....	47
C. <u>Power Outages</u> .....	47
D. <u>Injuries and Accidents</u> .....	47
E. <u>Moving and Lifting Heavy Objects</u> .....	48
F. <u>Workstation Ergonomics</u> .....	48
<b>SECTION VIII. <u>ETHICAL STANDARDS</u>.....</b>	<b>48</b>
A. <u>Relationships with Vendors, Customers and Competitors</u> .....	49
B. <u>Fees for Consultants, Agents Officials and Others</u> .....	49
C. <u>Gift Giving and Receiving</u> .....	50
D. <u>Confidential Information</u> .....	50
E. <u>Corporate Political Activity</u> .....	51

F. <u>Compliance with Laws</u> .....	52
G. <u>Illegal Payments</u> .....	52
H. <u>Integrity of Milestone Records</u> .....	52
I. <u>Insider Information &amp; Trading in Securities</u> .....	53
J. <u>Antitrust</u> .....	54
<b>SECTION IX. <u>EXPECTATIONS OF CONDUCT AND COMMUNICATION</u></b> .....	<b>54</b>
A. <u>Personal Appearance and Appropriate Work Attire</u> .....	56
B. <u>Solicitation and Distribution of Literature</u> .....	57
C. <u>Conflicts of Interest</u> .....	57
D. <u>Protection of Trade Secrets/Non-Disclosure of Company Information</u> .....	60
E. <u>Whistleblower Policy</u> .....	61
F. <u>Document Destruction Policy</u> .....	62
G. <u>Use of Company Equipment</u> .....	62
H. <u>Security Inspections</u> .....	62
I. <u>Use of Company Information Technology (IT) Systems</u> .....	63
J. <u>Teleworking Policy</u> .....	66
K. <u>Social Media</u> .....	67
L. <u>Public Statements</u> .....	69
M. <u>Substance Abuse</u> .....	70
N. <u>Workplace Security and Violence Prevention</u> .....	70
O. <u>Weapons</u> .....	71
P. <u>Tobacco-Free Workplace</u> .....	71
Q. <u>Company Vehicles</u> .....	72
R. <u>Non-Company Sponsored Activities</u> .....	72
S. <u>Cell Phone/Mobile Device Usage While Driving</u> .....	72
T. <u>Employee Grievances</u> .....	72
U. <u>Open Door Policy</u> .....	73
V. <u>Employee References</u> .....	74
W. <u>Educational Assistance</u> .....	74
X. <u>Corporate Office Guidelines</u> .....	74
<b>SECTION X. <u>END OF EMPLOYMENT PROCEDURES</u></b> .....	<b>76</b>
A. <u>Termination Procedures</u> .....	76
B. <u>Exit Interview</u> .....	76
C. <u>Layoff</u> .....	77
D. <u>Return of Company Property</u> .....	77
E. <u>Final Paycheck</u> .....	77
F. <u>Benefits Upon Termination (COBRA)</u> .....	77
<b>EMPLOYEE HANDBOOK ACKNOWLEDGMENT FORM</b> .....	<b>82</b>

## SECTION I. INTRODUCTION

### A. Welcome from CEO

**WELCOME ABOARD!** Success is what you make it.

Let me be among the first to welcome you to MILESTONE!

You are now part of a very special team of Technology Support Professionals that serve some of the most important companies on the planet. Namely: our clients.

What we do is enable our clients to efficiently use technology to improve their own businesses.

How we do this is through continuously improving processes for better service and product delivery.

Why we are in business is to enable our clients to fulfill their promises. When our clients are successful, so are we. As you get to know more about MILESTONE you will discover a passion and drive within most of the successful people here; *it is all about our Why*. We are all here for a singular purpose. To enable our clients to meet their goals. When you do this, you will be a success here too.

There are many things that make MILESTONE special. But consistently we hear that it is our people that really set us apart. Now you are a part of what keeps MILESTONE a leader in what we do. You have an awesome responsibility - to do everything that you can do to make sure that our clients succeed.

So, welcome to the team.

Sincerely,

*Sameer Kishore*

CEO  
Milestone Technologies, Inc.

## **B. Purpose of the Employee Handbook**

This handbook summarizes Milestone Technologies, Inc. (Milestone) employment-related policies, procedures, and benefits, as well as the specific opportunities and responsibilities that exist for you within the company to provide guidelines for the regulation of personnel administration, and the clarification of established practices, throughout the Company. It is designed to serve as a primary reference to you regarding the Company's employee programs, policies and work rules as well as to familiarize you with the Company. Please read it thoroughly.

With the exception of the Employment At-Will Policy described below, the provisions contained herein including but not limited to, wages, benefits, hours and working conditions, may be revised, modified, revoked or added to at any time, at the company's sole discretion. Only the President of the Company can make an agreement contrary to the Employment At-Will Policy. Any changes to this handbook must be in writing. Employees will be notified of any such changes.

No oral statement or representation by a Milestone manager, supervisor or company representative can in any way change or alter the provisions of this handbook. This handbook is not intended to create, and is not to be construed to constitute, a contract between the company and any of its employees conferring continuous employment rights, nor is it intended to be an exhaustive or complete presentation of the company's employment policies.

Milestone wants all employees to understand and comply with the policies and procedures in this handbook. If you have problems understanding the handbook please let your supervisor or Human Resources know. A Milestone representative can then help you to understand the policies and what is expected of you. If you fail to request assistance, Milestone will assume that you fully understand the handbook.

Each employee is required to sign an "Acknowledgement of Receipt" form found at the back of the handbook and return it to Human Resources within 10 days of your first day of employment or the receipt of this handbook.

## **SECTION II. HIRING AND EMPLOYMENT PROCEDURES**

### **A. At-Will Employment**

Employment with Milestone is "at-will." That means the employee and Milestone each have the right to terminate employment at will, at any time, with or without cause, and with or without advance notice. All prior representations, promises, statements or agreements to the contrary are hereby superseded. No oral statement made by any person affiliated with Milestone can modify the at-will nature of employment with the company. The only person who may make any agreement that an employee's employment will be other than "at-will" is the President of the Company, and even then, any such agreement must be in writing and signed by the President and the affected employee. Changes that may occur during employment over time, such as performance evaluations, changes in compensation, receipt of bonuses, draws, promotions and other changes, will not change the at-will nature of employment with Milestone and will not create any implied promise of continuing employment. Nothing contained in this handbook, including references to anniversary dates and the like, is meant to change the at-will nature of employment with the Company, which is and will remain "at-will."

## **B. Immigration Law Compliance**

The Immigration Reform and Control Act of 1986 requires that, in United States locations, for Milestone to hire only persons authorized to work in this country, and for Milestone to verify the identity and employment eligibility of all individuals, both citizens and non-citizens on the USCIS I-9 Form, hired after November 6, 1986. In complying with the Immigration Reform and Control Act of 1986, it is against Company policy to discriminate because of an individual's national origin, citizenship, or intent to become a U.S. citizen.

In accordance with federal law, each prospective employee shall be required to provide documents verifying his/her identity and authorization to be legally employed in the United States. In addition, the prospective employee will be required to sign a verification attesting he/she is legally employable in the United States. The U.S. Citizenship and Immigration Services has provided a list of acceptable documents to establish employees' identity and employment eligibility. Milestone must receive original documentation from that list within three days of an employee's first day of employment. Failure to provide appropriate documentation can result in termination of employment.

All offers of employment are conditioned upon receipt of satisfactory evidence of an employee's authorization to work in the United States. Any employee whose right to work in the United States expires must recertify their right to work in the United States on the USCIS I-9 Form in advance of the expiration of the authorization. Providing false documentation or making false statements on the verification shall be grounds for immediate termination of employment. If, during the course of employment, Milestone requests further information relating to the employee's authorization to work in the United States, the employee shall furnish the information requested. Failure to cooperate in furnishing such information shall be grounds for discipline, up to and including termination of employment.

### **Visas and Work Permits**

Regular full-time employees (who are also non-U.S. citizens seeking to work for Milestone at a U.S. site) may request assistance with required documentation associated with obtaining a visa or work permit. Contact the Human Resources Department for more information.

## **C. Orientation**

### **New Employee Orientation**

Human Resources conducts monthly orientations with all new employees hired by the Company. The initial orientation consists of a presentation of the following:

- Company organization and history
- Briefing of Company policies and procedures
- Completion of appropriate forms
- Questions and answers

## **Benefits Orientation**

The Company's benefits package provides comprehensive coverage for eligible Milestone employees. This program is further described in Employee Benefits and Time Off.

Human Resources is available to assist you in understanding the benefits package. You will be invited to an orientation within the first 2 weeks of employment which will review the enrollment process and benefits offerings in detail.

### **D. Introductory Period**

The first three months of continuous employment at Milestone during which you learn your responsibilities and get acquainted with your fellow employees is considered an introductory period. During this time you will have a chance to decide whether you are and will be happy with your job, and your supervisor will have the opportunity to determine whether you are adapting to your new work assignment. At any time during this introductory period, you may decide to resign or Milestone may decide to terminate your employment with or without cause and with or without advance notice. After your introductory period, you may be given a verbal or written performance review addressing your strengths and weaknesses. If Milestone decides you should continue to be employed, you will be advised of any improvements expected from you and you will be given the opportunity to express any recommendations that you have to improve the efficiency of Milestone. Completion of the introductory period does not entitle you to remain employed by Milestone. Both you and Milestone are free, at any time, with or without advance notice and with or without "cause," to end the employment relationship and your compensation.

### **E. Access to Personnel Files and Payroll Records**

#### **Personnel Files**

All employee files are maintained in confidential files by Human Resources. These records contain personal information, employment history, and other important employment information. Subject to state and federal law, upon request, an employee may review their personnel file in Human Resources Department, in the presence of a designated staff member at a time agreed upon in advance, within 30 days from the date the Company receives a written request. Prior to making the records available, Milestone may redact the name of any nonsupervisory employee contained in the records. Upon written request, employees will be given copies of materials in their personnel files. The employee may be required to pay the cost of copying the documents.

Since personnel files contain personal information, the Company will make a reasonable effort to maintain the confidentiality of the file. Milestone generally does not release personnel information to third parties unless there is reasonable protection of the employee's privacy, the employee has given his/her written authorization, providing the record is required by legal process, or if release of the records is needed to protect Milestone's business interests.



## **Payroll Records**

Within 21 days of an employee's request to inspect or copy payroll records, the employee will be given access to certain payroll records. The following can be included in such a request: amounts of wages earned, total hours, piece rate information (for piece workers), itemized deductions, dates of the payroll period, employee name and the last four digits of the employee's social security number, name and address of Company, and applicable hourly rates. The employee should specify precisely what the employee is requesting to review. Upon request, employees will be given copies of these payroll records. A reasonable charge will be made for such copies.

## **Address or Status Change**

It is the responsibility of each employee to promptly notify Human Resources of any changes in personal data. Personal home address, telephone number, names of dependents, marital status/domestic partnership status, person to be contacted in the event of an emergency, and other such status reports must be accurate at all times. Failure to furnish this information or failure to keep the information current can be grounds for discipline, up to and including termination of employment. This policy applies to all employees, including those on leave.

## **F. Job Postings**

Milestone supports the practice of considering promotion from within whenever practicable. Employees also have the primary responsibility for their own career development. To assist in both of these processes, Milestone posts job openings on the company website and, in most cases, conducts outside recruitment activities at the same time.

## **G. Internal Transfers**

Milestone is committed to providing employees with the opportunity for professional development through job transfers.

Transfers are considered on an individual basis with primary consideration given to job availability and requirements as well as employee qualifications and performance. The following guidelines should be followed:

- In order to transfer there needs to be an approved, open requisition. Open requisitions are posted on the Company's Internet so employees are aware of what positions may be available.
- Employees should be in their position a minimum of 9 months and have no disciplinary actions on record, either verbal or written. Special consideration will be given to individuals affected by reduction in force, job elimination, or significant changes in the terms and conditions of employment.
- Employee must successfully pass any special screening process required for the position of interest, including by not limited to background investigations, reference checks, and skills assessments.
- An employee's current supervisor or manager and the hiring manager must work together on the transition in order to avoid disruption or unnecessary delays.

- People Operations should be involved early in the process for any potential employee transfer. People Operations will work with the relevant managers to address any issues, ensure a smooth transition and completion of paperwork in a timely manner.
- The current supervisor or manager and the hiring manager will negotiate the transfer date. Once the transfer has been offered and accepted, the employee should transfer to the new position within 30 days.
- Responsibility for the employee's performance review will be determined at the time of transfer depending upon how long the employee has been in his/her current position and where the Company is in the review cycle.

## **H. Employee Referral**

**The Employee Referral Bonus Program** enables the Company to identify, through employees, qualified applicants for certain positions within Milestone. To be eligible for the bonus:

- You must refer someone with whom you have had a prior working or personal relationship.
- You must actively discuss employment at the Company with your referral.
- You must direct the referral to complete an on-line application on the Company's website and the referral must submit your name as the referral source on their application.
- The referred employee must still be employed by the Company within 90 days after such employee's start date.
- Your position and the position must be referral bonus eligible (Regular Full Time). IMAC Technicians are excluded.

The following guidelines apply:

- All regular full-time employees, except hiring managers, executives, and employees working in Talent Acquisition, are eligible for the bonus.
- This program is considered a benefit; therefore, you must be actively employed by the Company at the time of the referral and 90 days after the referral's start date to be eligible.
- You and the employee you referred must still be employed at the time the referral bonus is paid.

There is no guarantee that a referral will be hired. If the Company extends an offer of employment to your referral, and the referral accepts the offer, you will receive a referral bonus following expiration of your referral's introductory period.

## **SECTION III. EQUAL OPPORTUNITY EMPLOYMENT**

### **A. Policy Against Discrimination**

Milestone is an equal opportunity employer and makes employment decisions on the basis of merit. It is our policy that all matters regarding employment will be consistent with the law and principles of equal opportunity. The Company recognizes the benefits and realities of diversity and employs people with a variety of skills, professions, and educational backgrounds. Specifically, Milestone

is committed to recruiting, hiring, training, and promoting qualified persons to all job titles without unlawful discrimination, and to administering all personnel actions, including compensation, benefits, transfers, layoffs or terminations, returns from layoff, training, education and social and recreational programs, without discrimination.

Milestone seeks to employ the best qualified individuals and is committed to make employment decisions regardless of actual or perceived race, color, religion, religious creed, national origin, citizenship, ancestry, sex, sexual orientation, gender, gender identity, gender expression, age, medical condition, denial of Family and Medical Care Leave, genetic characteristics or information, mental or physical disability including HIV and AIDS, veteran status, past or present membership in the uniformed/military service, marital or domestic partnership status, pregnancy or any other characteristics protected by state or federal law or local ordinance.

Company policy prohibits unlawful discrimination. If you believe you have been subjected to any form of unlawful discrimination, you should notify your supervisor or Human Resources immediately. Reports will be investigated in a fair, timely and thorough manner that provides all parties with appropriate due process and a reasonable conclusion will be reached based on the evidence collected. When appropriate, corrective action will be taken. Complaints will be handled as discreetly as possible, consistent with the need for an effective investigation and appropriate resolution but may not be completely confidential. This policy prohibits retaliation, harassment or other adverse action because you made a complaint, assisted in an investigation, opposed discrimination or otherwise exercised rights protected by law.

## **B. Policy Against Harassment**

Milestone is committed to providing a work environment that is free of all forms of harassment. This anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company, including managers, supervisors and co-workers. Milestone prohibits harassment based on an individual's actual or perceived race, color, religion, national origin, citizenship, ancestry, sex, sexual orientation, gender, gender identity, gender expression, age, medical condition, genetic characteristics or information, mental or physical disability, veteran status, past or present membership in the uniformed/military service, marital or domestic partnership status, pregnancy, childbirth and related medical conditions, or any other characteristics protected by state or federal law or local ordinance ("protected characteristic"). Milestone will not tolerate discrimination or harassment based upon an employee's membership in one or more of these protected categories or an employee's known relationship or association with a member of one or more of these protected categories. This policy applies to all persons involved in our operations including all employees, vendors, customers, and contractors, who are expected to abide by the policy. This policy applies to both direct, personal interactions and communications accomplished through the Company's e-mail, voicemail, computer and online systems.

Unlawful harassment includes any harassment on the basis of any legally protected characteristic, but is not limited to the following:

- *VERBAL CONDUCT*: Verbal abuse, ridicule, racial slurs, epithets and stereotyping, offensive jokes and comments.

- *PHYSICAL CONDUCT*: Threatening, intimidating or hostile acts, unwanted physical contact, assault, blocking normal movement or interfering with work.
- *VISUAL CONDUCT*: Derogatory or offensive display or distribution of posters, pictures, cartoons, graffiti, materials, drawings, or writings.
- *SEXUAL HARASSMENT*: Sexual harassment includes unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when:
  - Submission to such conduct is made a term or condition of employment; or
  - Submission to, or rejection of, such conduct is used as a basis for employment decisions affecting the individual; or
  - Such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment.

Sexual harassment also includes various forms of offensive behavior based on sex and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list:

- Unwanted sexual advances or propositions, such as:
  - Requests for sexual favors accompanied by implied or overt threats concerning the target's job performance evaluation, a promotion or other job benefits or detriments;
  - Subtle or obvious pressure for unwelcome sexual activities.
- Making or threatening reprisals after a negative response to sexual advances.
  - Sexual or discriminatory displays or publications anywhere in the workplace, such as displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.
- Visual conduct: leering; making sexual gestures; displaying sexually suggestive objects or pictures, cartoons, posters, websites, emails or text messages; suggestive or obscene letters, notes or invitations; sexually oriented gestures, noises remarks or jokes, or comments about a person's sexuality or sexual experience, which create a hostile work environment.
- Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about an employee's body or dress; verbal abuse of a sexual nature; sexually degrading words to describe an individual.

- Physical conduct: touching, patting, kissing, hugging, grabbing, assault, impeding or blocking movements.
- Retaliation for reporting harassment or threatening to report sexual harassment.

An employee may be liable for harassment based on sex even if the alleged harassing conduct was not motivated by sexual desire.

Milestone considers harassment of any kind to be a severe offense which can result in disciplinary action, including employment termination of the harasser. The harasser also may be subject to significant personal financial liability. Any Employee who witnesses harassment or feels he/she has been harassed should promptly notify his/her supervisor or Human Resources. The alleged harassment will be investigated, and appropriate action will be taken. You will not be discriminated or retaliated against for reporting what you believe to be unlawful harassment. If you believe this has occurred, promptly notify Human Resources.

### **C. Complaint Procedure**

If you feel that you have been harassed or discriminated against in violation of Company policy, or if you feel you have witnessed such harassment or discrimination directed at another employee, you should immediately report the matter to your supervisor. If that person is unavailable or if you believe that it would be inappropriate to contact your supervisor, you should immediately contact Human Resources. You may also use the complaint form attached to this policy. Any supervisor or manager who receives a complaint of misconduct, or who becomes aware of a violation of Company policy must immediately advise their Service Delivery Executive and/or Human Resources.

A prompt investigation will be conducted in a fair and thorough manner that provides all parties appropriate due process. Reasonable conclusions will be reached based on the evidence collected. Appropriate corrective action will be taken where it is warranted. Complaints will be handled as discreetly as possible, consistent with the need for an effective investigation and appropriate resolution but may not be completely confidential. The Company expects all employees to fully cooperate with any investigation conducted by the Company into a complaint of proscribed harassment, discrimination or retaliation, or regarding the alleged violation of any other Company policies. The Company will maintain confidentiality surrounding the investigation to the extent possible and in accordance with applicable law. Complaints will be documented and tracked to assess for reasonable progress, and Milestone will create and keep written documentation of the investigation and its results.

Upon completion of the investigation, the Company will communicate its conclusion as soon as practical. If the Company determines that this policy has been violated, remedial action will be taken, commensurate with the severity of the offense, up to and including termination of employment. Sexual Harassment or any other harassment based on Protected Categories is considered a form of misconduct. Any employee found to have engaged in conduct in violation of Company policy, or any manager who knowingly allows such behavior to continue, will be subject to disciplinary action, up to and including termination of employment. Appropriate action will also be taken to deter any such conduct in the future.

The Complaint Form for Reporting Sexual Harassment is located in the Appendix section of this policy.

#### **D. Policy Against Retaliation**

No person's employment with Milestone will be adversely affected as a result of bringing a good faith complaint that the Company's policies against discrimination and workplace harassment have been violated. If you feel that you have been retaliated against or harassed as a result of having brought a complaint, testifying, assisting or participating in an investigation, or any proceeding or hearing conducted by a governmental enforcement agency or otherwise having exercised rights protected by law, you should immediately report the matter to your supervisor or Human Resources. Any complaint of retaliation will be investigated, and appropriate corrective action will be taken where it is warranted. Prohibited retaliation includes, but is not limited to, termination, demotion, suspension, failure to hire or consider for hire, failure to give equal consideration in making employment decisions, failure to make employment recommendations impartially, adversely affecting working conditions or otherwise denying any employment benefit.

Any employee engaging in improper retaliation will be subject to disciplinary action, up to and including termination of employment.

#### **E. External Complaints**

Milestone encourages employees to use the Company's procedure for resolving complaints of harassment or discrimination, including claims of sexual harassment, and we believe that this procedure is effective. However, harassment is not only prohibited by the Company but is also prohibited by state, federal, and, where applicable, local law. Aside from the internal process at the Company, employees may also choose to pursue legal remedies with the following governmental entities. Employees may file complaints of discrimination, including complaints of sexual harassment or retaliation, with the Equal Employment Opportunity Commission ("EEOC") at 1 (800) 669-4000, or the California Department of Fair Employment and Housing ("DFEH") or New York State Division of Human Rights, as applicable. Employees can also contact the Equal Employment Opportunity Commission ("EEOC") at 1 (800) 669-4000 or [www.eeoc.gov](http://www.eeoc.gov). The DFEH can be contacted at 1 (800) 884-1684. The NYDHR can be contacted at (718) 722-3131. Employees should be aware that both federal and state laws provide time limits within which complaints must be filed. Therefore, the relevant agency should be contacted to determine the applicable time limit.

The Complaint Form for Reporting Sexual Harassment is located in the Appendix section of this policy.

#### **F. Reasonable Accommodation**

In order to ensure equal employment opportunities to qualified individuals with disabilities, Milestone will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. As part of the Company's commitment to make reasonable

accommodations, Milestone will participate in a timely, good faith, and interactive process with the disabled applicant or employee to determine effective reasonable accommodations, if any that can be made in response to a request for accommodations.

Applicants and employees are invited to identify reasonable accommodations that can be made to assist them to perform the essential functions of the position they seek or occupy. Any applicant or employee should contact Human Resources as soon as possible to request the opportunity to participate in a timely interactive process. By working together in good faith, Milestone hopes to implement any reasonable accommodations that are appropriate and consistent with its legal obligations.

**G. Conflicts of Interest Involving Employees Related to Each Other or With Special Relationships**

As a general matter, Milestone does not seek to regulate the private social behavior of its employees. Relatives of an employee may be eligible for employment with Milestone as long as the individuals involved do not work in a direct supervisory relationship, or in a position in which a conflict of interest could arise. Personal relationships between employees can, however, impact working relationships when the workplace relationship between the employees includes a power differential. Thus, Milestone prohibits such relationships for employees in a direct supervisory or reporting position and requires the disclosure of certain close romantic or family relationships between Company employees working in a situation where one has direct or indirect supervisory authority over the other. For purposes of this policy, a family relationship is considered to exist within two degrees of separation (e.g., parent/child (including in-laws and step relations), sibling (including in-laws and step relations), spouse, registered domestic partner, grandparent/grandchild, aunt, uncle, nephew, and niece). Current employees who marry will be permitted to continue working in the positions held only if they do not work in direct supervisory relationship with one another or in positions involving conflict of interest. Relatives or members of the same household may not be employed in positions that might compromise internal financial controls or result in a conflict of interest.

Both parties to a romantic or family relationship covered by this policy are subject to the disclosure obligation or the prohibition, as applicable. Violation of this policy with regard to employees in a direct supervisory line or failure to notify Milestone of the existence of a romantic or family relationship between employees in an indirect reporting line or with an applicant to the Company will be grounds for disciplinary action, up to and including termination of employment.

If any supervisor and direct or indirect report have a romantic or familial relationship that began prior to the adoption of this policy, they must promptly disclose the relationship. Milestone will not treat such pre-existing relationships as a violation of this policy if promptly reported but reserves the right to take appropriate personnel actions to preserve the integrity of the working environment. Any Milestone employee with questions or concerns about this policy should feel free to contact Human Resources.

## **H. Genetic Information Non-Discrimination Act of 2008 (GINA)**

Milestone respects all employees' privacy in their genetic information and prohibits discrimination, harassment, or retaliation on the basis of genetic information. Milestone complies with GINA and will not request or require genetic information of any staff member or family member of the staff member, except as specifically allowed by GINA, nor will the Company use genetic information in making decisions relating to any terms, conditions, or privileges of employment.

We will not take action that would limit, segregate, or classify employees because of genetic information. We will not request or require an applicant's, employee's or family member's genetic information. Milestone shall keep confidential any genetic information which it possess (e.g., pursuant to a medical leave certification request; by acquiring the information inadvertently; or as part of an employee's participation in a voluntary health or wellness program).

Genetic information includes:

- Results of an employee's or family member's genetic tests;
- Family medical history;
- Requests for, and receipt of, genetic services or the participation in clinical research that includes genetic services by an employee or a family member; and
- Genetic information about a fetus carried by an employee or family member, or about an embryo legally held by the employee or family member using assisted reproductive technology.

## **SECTION IV. HOURS OF WORK, OVERTIME AND ATTENDANCE**

### **A. Definitions of Employment Status**

The following terms are used in this Handbook to describe the classifications of employees and their employment status for purpose of benefit determination and policy interpretation:

***Exempt*** - Employees whose positions are exempt from overtime pay requirements. Such employees include employees who are qualified executive, administrative, and professional employees, certain outside sales employees and certain high-level programmers and software engineers.

***Non-Exempt*** - Employees who are paid overtime pay. Non-exempt employees are paid a minimum wage equal to or greater than, the governing hourly wage and are entitled to overtime pay for all hours worked in excess of forty (40) hours in one week or over eight (8) hours in a day if working in the state of California. Non-exempt employees must fill out weekly timecards on a daily basis to record their time worked.

***Regular Full-Time*** - Employees regularly scheduled to work 30 hours or more per week. Full-time regular employees are eligible to receive full company benefits including insurances and paid time-off benefits.



***Regular Part-Time*** - Employees scheduled to work less than 30 hours per week. Part-time regular employees are NOT eligible to receive full company benefits including insurances and paid time-off benefits, except where mandatory by law.

***Temporary*** - Employees employed in a capacity of limited, specified duration (either full-time or part-time), generally not to exceed six months. Milestone reserves the right to extend the duration of a temporary or project employee's service beyond that originally contemplated without affecting the employee's benefit status. Temporary employees are NOT eligible to receive full company benefits including insurances and paid time-off benefits, except where mandatory by law.

***Inactive*** - Employees on any type of leave of absence (work-related or non-work-related) that exceeds 12 work weeks (with the exception of leave of absence for pregnancy and subsequent bonding leave under CFRA, which may exceed 12 work weeks), will be placed on inactive status. During the time an employee is on inactive status all benefits accrual will cease (i.e., PTO accrual and seniority).

***Independent Contractors and Consultants*** - Not employees of Milestone and are not entitled to employee benefits. Terms and conditions of their services are set forth in an agreement entered into between Milestone and the Contractor, or his/her employer.

To determine eligibility for specific benefits, consult the sections of this Handbook addressing those benefits or if you have any doubt about your status as described above, contact Human Resources.

## **B. Scheduling and Overtime Provisions for Non-Exempt Employees**

Milestone institutes varied work shifts and schedules to accommodate the needs of various clients and departments. Each employee's supervisor will inform him/her of his/her regular work schedule/shift. Due to possible changes in the work force and business needs, Milestone retains the right to change this work schedule or the number of hours in a standard shift. Milestone's seven-day workweek is from Monday to Sunday and Milestone's twenty-four hour workday is from 12:00am to 11:59pm.

Employees may be requested to work overtime, or hours other than those normally scheduled, when necessary. Certain departments may require mandatory overtime as a condition of employment.

Milestone provides compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law. Each employee's supervisor will advise him/her the circumstances under which he/she will be eligible for overtime pay, and also inform him/her when he/she is required to work overtime. Overtime should not be worked without prior authorization of a supervisor. All straight-time and overtime hours, whether scheduled or unscheduled, must be accurately recorded on the non-exempt employee's timecard and approved by the immediate supervisor prior to payment. Working overtime without prior authorization, tampering, altering or falsifying time records, may result in disciplinary action, up to and including termination of employment.

The work schedule for full-time non-exempt employees is 40 hours per week. As such, non-exempt employees are entitled to be paid overtime compensation at a rate of one and one half times the employee's regular rate of pay for all hours worked in excess of forty (40) hours in one work week or eight (8) hours in one day in the State of California. Also in the State of California, a rate of two times the employee's regular rate of pay is paid for each hour worked over twelve (12) hours in a single day or after the eighth (8th) hour on the seventh consecutive day worked in a defined work week. For purposes of determining which hours constitute overtime, only actual hours worked in a given work day or work week will be counted. Hours paid but not worked, such as holidays and PTO, do not count as hours worked for overtime purposes.

Exempt employees are paid a salary that covers all hours worked; therefore, they are not eligible for additional compensation if they work additional hours. Exempt employees are expected to work as much of each workday as is necessary to the full accomplishment of their job responsibilities.

### **C. Attendance and Punctuality**

Beginning work on time every day is a condition of employment. Milestone requires the dependable, punctual presence of employees performing their jobs. While absences may be unavoidable for some acceptable reasons, attendance is an important factor in judging an employee's value to the Company. Tardiness is defined as being away from the assigned work station at the start of the workday or being late in returning from an allotted rest or meal period. Excessive and repeated absences, early departure from the employee's work station and/or tardiness is cause for dismissal.

It is your responsibility to notify your supervisor or manager if you are unable to report for work or expect to be late for any reason. Notification should be made at least one (1) hour before the start of the scheduled shift. Failure to call in is grounds for disciplinary actions. If an employee becomes sick while on the job, the supervisor or manager must be notified before the employee leaves the work site. The employee also must provide Milestone with a telephone number and address where he/she can be reached during his/her absence.

Absences are excused when the absence has been approved by the supervisor. Examples of excused absences include, but are not limited to, scheduled PTO, holidays, family or child care leave, or any other leave protected by law, or personal leaves. Falsification of reasons for a leave will result in serious discipline, up to and including termination of employment.

Excessive unexcused absences from work and/or tardiness are cause for disciplinary action, up to and including termination. Absence and failure to call in without notifying Milestone, for three (3) consecutive work days will be considered job abandonment as voluntary resignation, and the employee may be terminated.

### **D. Time Cards**

All non-exempt employees must keep accurate records, showing when each non-exempt employee begins and ends each work period. In compliance with this requirement, Milestone requires that all employees with non-exempt status as well as all billable exempt employees who work at client sites to utilize company time keeping records for this purpose. Information regarding how to

complete timecards is available through Payroll. Exempt employees, who are non-billable, are required to report full days of absence from work due to vacation, sickness, personal business, etc. Non-billable exempt employees are required to keep accurate records of their work efforts in order to allow Milestone to track and measure labor expenditures.

All non-exempt and billable exempt employees must record the start and stop time of each paid work period. This means the clock time at which the employee starts and stops each shift, each unpaid meal break and each other period when the employee stops working, such as if the employee leaves during the day for a doctor's appointment or other personal business. Employees are not required to record the start and stop times of paid rest periods.

The time cards should be provided to the employee's supervisor weekly. Employees should also record any leave time, together with the nature of the leave taken. In the case of leave time, employees can record total hours rather than start and stop times. Time cards are not a record of scheduled hours, but rather a record of hours actually worked.

Entering false information either by underreporting or over reporting of hours worked or of leave hours on a time keeping record, entering time keeping information on behalf of another employee or having another employee enter time keeping information on your behalf, altering time keeping information or any other abuse of the time keeping system will result in corrective action, up to and including termination of employment. Any errors on an employee's time keeping record should be reported immediately to his or her supervisor, who will attempt to correct legitimate errors.

For regular non-exempt full time employees that have met their benefit eligibility, any hours worked less than 40 hours per week or taken as time off will be deducted from accrued PTO first. Once accrued PTO is exhausted, it will be unpaid – deducted from their bi-weekly pay.

#### **E. Requests for Time Off**

Milestone requires all employees to submit requests for taking time off for paid or unpaid absences, (i.e., PTO, Jury Duty, Bereavement, etc.), through ADP Workforce Now Easy Labor Manager (WFN EZLM) system prior to taking the time off. Employees must work with their supervisor to ensure that they have access to the online time keeping system. Employees requesting time off must have accrued enough PTO to take their requested time off. Otherwise, the employee must select "Unpaid Time." The employee's time off must be approved within the ADP EZLM system by his/her supervisor.

Please plan early, when possible, in scheduling your time off. It is recommended that you make your requests well in advance to insure efficient program management. At a minimum, please provide at least two (2) weeks' notice for PTO requests longer than three (3) days. Priority in approving time off requests will be given to the earliest requests.

#### **F. Make-up Time Policy**

Milestone allows the use of make-up time when non-exempt employees need time off to tend to personal obligations. Employees may take time off and then make up the time later in the same workweek, or may work extra hours earlier in the workweek to make up for time that will be taken

off later in the workweek. Make-up time that exceeds eight hours but is less than 11 hours in a workday will NOT be paid at the overtime rate. Non-exempt employees may not work more than 11 hours in a day or 40 hours in a workweek as a result of making up time that was or would be lost due to a personal obligation. All make-up time must be worked in the same workweek as the time taken off.

Make-up time requests must be submitted in writing to your supervisor, with your signature. Requests will be considered for approval based on the legitimate business needs of the Company and/or Client at the time the request is submitted. A separate written request is required for each occasion the employee requests make-up time.

If you request time off that you will make up later in the week, you must submit your request for make-up time at least 24 hours before the desired time off. If you ask to make up time first to take time off later in the week, you must submit your request at least 24 hours before working the make-up time. Your make-up time request must be approved in writing before you take the requested time off or work make-up time, whichever is first. Any exceptions will result in overtime work and therefore must be approved in advance by your supervisor.

If you take time off and are unable to work the scheduled make-up time for any reason, the hours missed normally will be unpaid. However, if possible and based on Milestone or the Client's scheduling needs, your supervisor may arrange for you to make up the time on another day. If you work make-up time before you plan to take off, you must take that time off, even if you no longer need the time off for any reason.

While Milestone is happy to make the option of make-up time available to employees, any employee's use of make-up time is completely voluntary. Milestone does not encourage, discourage or solicit the use of make-up time.

## **G. Work Breaks**

### **Meal Breaks**

All employees, exempt and non-exempt, are encouraged to take a one-half hour meal break each eight-hour shift. Non-exempt employees are REQUIRED to take a half-hour meal break during the first five hours of work. The meal period should be taken no later than the start of the employee's fifth hour of work. However, when a non-exempt employee's work day will be six hours or less, the employee may waive the meal period.

If a non-exempt employee works ten hours in a work day, he/she is required to take a second half-hour meal break. This second meal period should be taken no later than the end of the employee's tenth hour of work. However, non-exempt employees who work under 12 hours can waive their second meal period if they did not waive their first meal period.

Non-exempt employees are required to record the start and stop times of each meal break on their time cards. Employees may leave the premises and are relieved of all duties during their meal breaks. Supervisors will schedule meal breaks in a manner that will ensure that employees get their meal breaks while maintaining adequate coverage of job duties.

## **Rest Breaks**

All non-exempt employees are entitled to rest breaks. If a non-exempt employee works between three and one-half hours and six hours in a day the employee is entitled to one ten minute break. If the employee works between six hours and ten hours the employee is entitled to a second ten minute break. The employee will be entitled to an additional ten minute break for each four hours, or major fraction thereof, worked in excess of ten hours in a day. Employees are not required to record the start and stop times of rest breaks on their time cards. Rest breaks should be taken, as far as practicable, in the middle of each four hour or major fraction thereof, work period. Employees shall not leave the premises during any rest breaks unless they make special arrangements with their supervisor.

## **Lactation Accommodation**

Milestone will provide a reasonable amount of break time to accommodate an employee desiring to express breast milk for the employee's infant child. The break time will, if possible, run concurrently with any paid break time that is already provided to the employee. If additional break time is required, it shall be unpaid.

Milestone will provide the employee with the use of a private room or other location, in close proximity to the employee's work area, for the employee to express milk in private. Break time for expressing milk will not be provided if to do so would seriously disrupt operations of the business.

## **Reporting Interference with Breaks or Pressure to Inaccurately Record Time**

If a non-exempt employee is not provided meal breaks and rest breaks in accordance with this policy, the employee should notify Human Resources the same day it occurs. Human Resources will determine whether the employee is entitled to additional compensation under applicable law. If any employee feels that a supervisor or anyone else is interfering with any employee's ability to take a full, uninterrupted meal breaks and full rest breaks or pressuring the employee to work off-the-clock or otherwise inaccurately report time worked in accordance with the policies in this Handbook, he/she should immediately report this Human Resources. Any complaints under this section will be promptly investigated and appropriate disciplinary action will be taken. Milestone will not permit any form of retaliation against any employee who reports such conduct.

## **H. Hours Worked**

### **Electronic Communications**

As with other types of authorized work, all time spent by non-exempt employees utilizing electronic communications for work purposes will be considered hours worked. This work is compensable and will count toward overtime eligibility as required by law. Therefore, in order to avoid incurring unnecessary expenses, electronic communications should not be used outside of regularly scheduled work hours unless required by your supervisor. This includes all types of work-related communication.

## **Travel**

Travel time for business purposes generally is considered compensable work time, regardless of what day of the week the travel takes place. Travel time includes the time from when the employee leaves his or her home to the time the employee reaches his/her destination, less the employee's normal commute time. The destination can be either the worksite or a hotel if the employee travels to the hotel before going to the worksite.

On multiday trips, travel between the hotel and worksite is considered normal commuting time and is not eligible for compensation, unless it exceeds normal commute time.

Once you reach your hotel or other destination and you are free to eat, sleep or engage in other personal pursuits, the time is no longer counted as travel time and is not compensable. Similarly if you take a break from travel to eat, sleep or engage in personal pursuits, that time is not paid time.

## **Courses and Training**

Attendance at courses or trainings count as compensable working hours if attendance is required as part of the employee's job, even if the event occurs outside of regular working hours.

### **I. Paydays**

Milestone employees are paid bi-weekly, every other Friday. Each paycheck will include earnings for all reported work performed through the end of the payroll period. In the event that a regularly scheduled payday falls on a holiday, employees will receive their pay on the last day of work proceeding the day off.

All employees will receive an itemized statement of wages each payday, online through ADP's iPay website, indicating the amount of pay, deductions, etc. Accounts are credited on the actual pay date. Instructions on how to register on ADP iPay will be provided by Payroll.

Direct Deposit is available to all Milestone employees for convenient deposit of their paycheck directly into their bank account. Employees may have their paychecks electronically deposited into more than one account and more than one financial institution. Forms are available by contacting Payroll.

For employees who do not select Direct Deposit, the paycheck will be sent to the mailing address on file. Prior written authorization, submitted to Payroll, is required from the employee in order to have their paycheck distributed to any other persons.

A schedule of the current year's pay periods and pay dates will be distributed annually for all current employees and during the new hire orientation for all new hires. Please refer to the current year's calendar, available from Payroll or Human Resources for this information.

## **J. Pay Deductions**

### **Mandatory Payroll Deductions**

Federal and State governments require certain deductions to be withheld from your wages each pay period and will appear on your pay stub. Among these deductions are applicable federal, state and local income taxes. They include:

- FIT                      Federal Income Tax
- Soc Sec                Social Security Tax
- MEDI                  Medi-Care Tax
- SIT                     State Income Tax
- SDI                    State Disability Insurance

### **Voluntary Payroll Deductions**

Milestone offers programs and benefits beyond those required by law. Employees who wish to participate in these programs may choose to have these voluntary deductions (when available) withheld from their paychecks:

- Medical, dental and vision coverage
- 401(k) contributions
- Other voluntary deductions

## **K. Inclement Weather and Emergency Office Closures**

On rare occasions, Milestone and/or a Client may close its worksites due to inclement weather or other unforeseen circumstances. Milestone will make every effort to provide notice of the closure to all affected employees. In the event of severe inclement weather or unforeseen circumstances, employees should contact their supervisor before leaving home. In the absence of a closure notification, Milestone and/or the Client will remain open for business, and employees are expected to report to work as normally scheduled. In the event that the Company's work is interrupted by a cause not within the Company's control, non-exempt employees will not be paid for time not worked. Exempt employees' wages will not be reduced on account of a partial day absence. Under limited conditions, Milestone may deduct an exempt employee's salary for full day absences.

## **L. Travel Expense Reimbursement**

All air, car, and hotel reservations must be made through Concur, Milestone's travel and expense platform. If your travel is international or complex, reach out to our designated travel management company Travizon. If a change to an existing reservation cannot be done in Concur, the employee must contact Travizon. For questions or assistance with travel requests or expense reports, contact [concur@milestonepowered.com](mailto:concur@milestonepowered.com). Training and user guides can be found on the intranet.

All travel requests and expense reports will require a control number, client, and billing status to submit to Accounting. If you are unsure what these are, confirm with your supervisor. All Travel

requests must be pre-authorized by the employee's supervisor and are booked in Concur. Milestone limits employee reimbursements to those deemed reasonable and necessary while traveling for authorized business purposes. Supervisors are responsible for reviewing expense reports and receipts for policy compliance and accuracy before approving the reports.

Please refer to the separate Travel Policy manual for the detailed procedures and requirements.

## **Transportation**

Milestone will reimburse staff for the business use of a personal automobile at the mileage reimbursement rate set periodically by the Internal Revenue Service. This rate is designed to include gas, insurance and wear on the vehicle. If you are submitting an expense report for mileage, you cannot submit expenses for fuel as it is already included in the mileage reimbursement rate. No additional charges for personal automobile use above the standard mileage rate will be paid with the exception of tolls and parking. The employee is responsible for maintaining all necessary insurance on the vehicle, and for any losses incurred while using a personal vehicle for business travel.

## **Meals**

Employees traveling on Company business which requires an overnight stay will be reimbursed for personal meal expenses up to \$50 per day for domestic travel and up to \$75 per day for international travel. These meal limits are not a per diem. All meal expenses must be individually reported with actual receipts in order to be reimbursed through Concur.

Employees are not eligible to receive reimbursement for personal meals unless an overnight stay from home is required. Personal meal reimbursement is based on a 24 hour travel time frame.

## **Reimbursement Process**

Expense reports for reimbursement should be submitted within 7 days after the date of travel is completed. All travel-related receipts including air, hotel, and car rental covered by Milestone need to be submitted.

## **SECTION V. EMPLOYEE EVALUATIONS AND DISCIPLINARY ACTION**

### **A. Performance Review Appraisals**

When Milestone hires employees, varying starting pay rates are utilized. The pay rate (salary or hourly wage) may begin at the higher end, middle, or lower level of the pay range for the position, and it is generally based upon the educational background, work experience, skills and abilities of the individual, among other things. Performance evaluations, appraisals and/or reviews are conducted to assess the employee's professional growth, commend performance and/or make



recommendations for improvement of work performance, to promote understanding, to establish goals, and to provide a formal opportunity for two-way communication between the employee and his/her supervisor.

All regular, full-time employees are reviewed on an approximate annual basis. However, additional reviews may be held if necessary for job improvement, job advancement, strategic changes, etc., at the discretion of Company management. Performance review appraisals do not guarantee pay increases.

## **B. Merit Increases**

Depending on the employee's performance, adjustments in his/her pay may be made during the review period. Importantly, in no case shall a commitment or statement be made to any employee whereby the employee may assume the right or guarantee of any specific future merit increases. It is further understood that downward adjustments in an employee's pay may occur as a result of a performance review, change in status, or a change within a recognized industry group, at the sole discretion of Milestone.

## **C. Discipline**

Milestone maintains a discipline system intended to give employees advance notice, whenever possible, of problems with their conduct or performance, and to provide an opportunity for corrective action. Normally, discipline involves verbal counseling, one or more written warnings or Performance Improvement Plan, and termination of employment. However, immediate termination may occur depending on the severity of the circumstances. The term "subject to disciplinary action" includes potential termination of employment.

The following list represents the kinds of behavior that are considered serious enough to warrant immediate termination of employment:

- *INTOXICATION*: Possession, consumption or sale of illegal drugs, or being under the influence of alcoholic beverages while on Company property, while on Company business, or while on Company time.
- *THEFT*: Unauthorized possession, removal or concealment of property which belongs to the Company, its vendors, customers or employees.
- *ACTS OF VIOLENCE*: Threatening harm, assaulting, fighting, or possession or use of any type of weapon or dangerous device on Company property, while on Company business, or while on Company time.
- *CONFIDENTIALITY*: Providing or using confidential information, including trade secrets, gained on the job or with persons unauthorized to receive such information.
- *INSUBORDINATION*: Refusal to follow supervisors' lawful direct orders or instructions, or refusal to perform assigned work.
- *PROPERTY DAMAGE*: Willful or careless damage to Company property, or property of another employee, customer, or vendor.
- *FALSIFICATION*: Falsifying records, information, and time-keeping documents, such as time cards, and employment applications.

- *ABSENCES*: Excessive absenteeism or tardiness, or abuse of lunch and break periods. Unreported absences for three consecutive workdays are considered a voluntary resignation.
- *HARASSMENT*: Sexual or other unlawful harassment of another employee, customers, or vendors.
- *SOLICITATION*: Solicitation of another employee during the work time of either employee.
- *UNSAFE OR UNHEALTHFUL PRACTICES*: Actions or practices, which create a safety or health hazard.
- *UNSATISFACTORY PERFORMANCE*: Work performance below satisfactory standards.

The enumeration of this list of improper conduct should not be interpreted as altering the “at-will” nature of employment at Milestone. Any instance of the above behaviors, which is observed by an employee or of which any employee becomes aware, should be reported to the immediate supervisor or Human Resources.

## **SECTION VI. EMPLOYEE BENEFITS AND TIME OFF**

### **A. Employee Benefits (Overall)**

Milestone provides a comprehensive benefits plan with significant pretax features for eligible employees regularly scheduled to work 30 or more hours per week. This plan is built on a foundation of employee health, dental, vision, voluntary insurance, and a 401(k) retirement plan. Milestone reserves the right to alter, amend or terminate benefits from time-to-time on reasonable notice. Specific plan details will be provided by Human Resources during Employment Orientation and annually during Open Enrollment briefings. If elected, benefits begin the first (1st) of the month following the employee’s date of hire for regular full-time employees, or the status change to regular full-time employment. If declined, employee must wait until Open Enrollment or when he/she has a qualifying change in family status, such as birth of a child, marriage, divorce, death, or a change in spouse’s job/benefits eligibility.

Part-time and temporary employees are not eligible to participate in above-referenced plans other than the 401(k) plan.

For complete descriptions of the coverage available under these programs, the eligibility requirements and other terms and conditions, please see the Group Insurance Program handbooks provided by Human Resources. The terms of the benefit plans supersede this employee handbook.

### **Medical / Dental / Vision Insurance**

All regular, full-time employees are eligible for participation in the Company-sponsored Medical, Dental, and Vision insurance programs for themselves and their dependents (Spouse, Child(ren), Registered Domestic Partner). The cost of elected coverage is partially paid by Milestone. The employee paid portion of these premiums is paid through pre-tax payroll deductions from the employee’s biweekly paycheck.

## **125 Flexible Spending Account Plans (FSA)**

Milestone offers a pre-tax savings plan for employees for Dependent Care and Out-of-Pocket Healthcare (Medical, Dental, and Vision) expenses. All regular, full-time employees are eligible to participate on the first (1<sup>st</sup>) of the month following the employee's date of hire for regular full-time employees, or the status change to regular full-time employment. Subsequent annual open enrollments occur for each calendar year.

## **401(k) Retirement Plan**

All Milestone employees age 21 years and older are eligible to enroll in the retirement plan the first (1<sup>st</sup>) of the month following their start date and the first (1<sup>st</sup>) of each month throughout the calendar year thereafter. Milestone employees may participate in a 401(k) tax-deferred retirement savings plan. In this plan, contributions will be deducted from employee's wages before income tax, thus reducing taxable income.

## **Discretionary Match**

All Milestone employees, age 21 years and older who have worked at least 501 hours in the calendar year, have contributed to the plan during the calendar year and are active at the end of the year are eligible for the discretionary match. Funds are vested according to a 4 year vesting schedule.

## **B. Health Insurance Continuation**

In accordance with the requirements of the federal and state health insurance law, under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of termination of employment with Milestone or loss of eligibility to remain covered under the group health insurance programs, eligible employees and their dependents may continue, at their own cost, participation in the Company's group health insurance programs following certain qualifying events for a limited period of time. These events include an employee's termination (other than due to "gross misconduct"), resignation, and reduction in hours, divorce, legal separation, death, Medicare entitlement, and certain other events. Where the right to continue coverage arises, coverage may be continued at special rates authorized under the law.

Company provided voluntary benefits are not convertible under COBRA.

**NOTE:** The Company paid health, dental, and vision benefits end on the last day of the month in which the employee's official date of termination occurs with Milestone.

## **C. Social Security**

Social Security tax is a federally mandated benefit and its cost is split equally between Company and Employee. Benefits are provided for death, disability and retirement. The level of your benefits is based upon earned income during the years you worked and the number of dependents you have.

#### **D. Workers' Compensation**

In the event of a work related illness or injury, all employees are eligible for Workers' Compensation Benefits in accordance with State requirements. Milestone provides a comprehensive workers' compensation insurance program at no cost to employees. This program provides insurance for covered injuries or illnesses sustained in the course of employment that require medical, surgical, or hospital treatment. Workers' compensation insurance provides both medical care and partial income replacement during the time that an employee is unable to work because of an illness or injury arising out of employment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Any employee who sustains a work-related injury or illness should inform his/her supervisor and Human Resources immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. A claim form can be obtained from Human Resources, and must be completed within 24 hours of the incident. This will enable an eligible employee to qualify for coverage as quickly as possible.

If the employee's injury requires medical attention, he/she is required to obtain these services from the provider list provided by Human Resources unless the injury requires emergency medical care in which case 911 should be called or the employee may be taken to any qualified emergency center. If the injury requires additional care and loss of work time, the employee agrees to work with and through the Milestone's approved care provider. Information regarding the Company care provider may be obtained from Human Resources.

After 30 days from the report of the injury, the employee may be treated by a physician of his/her own choice within a reasonable geographic area. In the event of injury requiring more than first aid, the employee may be treated by his/her personal physician if the employee has notified Milestone, in writing, of the name of the personal physician prior to the date of the injury.

Neither Milestone nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by the Company.

Workers' compensation leave is unpaid, i.e., wages are not paid by Milestone though employees can receive partial income replacement through the insurance program. Employees may use any accrued Paid Time Off while on workers' compensation leave. Milestone will continue to provide health benefits for an employee on workers' compensation leave for up to 12 weeks under the same terms and conditions as if the employee were still working. The employee will be required to continue paying the employee's portion of any premiums (please see the section titled "Benefits during Family and Medical Leave" for further information). After 12 weeks, the employee can continue health insurance benefits through COBRA. Workers' compensation leave will run concurrently with FMLA, when applicable by Federal or State law.

Employees returning to work after being absent due to a work-related injury must report to their supervisor prior to beginning work and must bring a doctor's note approving a return to work.

## **E. California State Insurance Benefits (For California Employees Only)**

The State of California has various insurance programs designed to provide partial income replacement in the event that an employee is unable to work for a variety of reasons. These insurance programs are funded through payroll deductions and participation is mandatory for all California employees.

### **Unemployment Insurance**

Unemployment Insurance (UI) provides partial income replacement in the event that an employee leaves employment for reasons beyond his or her control, such as a termination without cause (Layoff) or a resignation due to the need to move to another city for a spouse's or registered domestic partner's employment.

### **State Disability Insurance**

State Disability Insurance (SDI) provides partial income replacement if an employee is disabled from working due to pregnancy or a non-work related illness or injury. To be eligible for weekly compensation, your doctor must certify that you are unable to work and you must complete and file a claim form. Claim forms can be obtained from Human Resources, the Employment Development Department (EDD) website at [www.edd.ca.gov](http://www.edd.ca.gov), and in most doctor's offices and hospitals. You must file a claim with the EDD to receive any payment. After a claim is approved, there is a seven-day waiting period before benefits are paid; therefore, benefits become payable on the eighth (8th) day of illness or the first (1st) day of hospitalization, whichever occurs first. Eligible employees will be paid a percentage of their regular earnings for maximum period provided by law. For additional information about eligibility or benefit amounts, see the SDI benefits brochure, which can be obtained from the EDD website.

### **Paid Family Leave**

Paid Family Leave (PFL) provides partial income replacement if an employee takes leave for any of the following reasons:

- to bond with a child who has been born, adopted, or accepted for foster care by the employee or the employee's spouse or registered domestic partner; or
- to care for a sick child of the employee, employee's spouse or employee's registered domestic partner; or
- to care for a sick spouse or registered domestic partner, the employee's sick parent, parent-in-law, grandparent, grandchild, or sibling.

It is the State (not the Company) that distributes the PFL benefits. The right to receive PFL does not guarantee employees the right to time off or job guarantees. The program has eligibility requirements, waiting periods, and limits on benefits. For example, PFL provides income replacement for up to 55% of the employee's wages, to a maximum cap that is set annually, for up to six weeks. There is a one-week waiting period before an employee can apply for PFL and employees are allowed to use any accrued Paid Time Off prior to PFL beginning.

Employees should inform Human Resources as soon as they become aware of circumstances that may trigger eligibility for benefits under any of these state-run insurance programs. Although these programs are funded and run by the State and all eligibility and benefits decisions are made by the state agencies involved, not by Milestone, Human Resources will assist the employee in obtaining additional information about these programs.

**F. Paid Time Off (PTO)**

PTO is a combination of vacation, sick and personal time off. Employees will begin to accrue PTO from their first day of full-time regular employment status. However, they must wait until the first (1<sup>st</sup>) of the following month before taking any PTO. Temporary or part-time employees are not eligible to accrue paid time off. Eligible employees may use PTO throughout the year subject to prior approval from their supervisor. All PTO requests, approvals and tracking are handled by the Payroll Department.

Regular full-time non-exempt and exempt employees earn PTO in accordance to their length of full-time service with Milestone as described in the table below. PTO is earned on biweekly prorated basis per pay period.

PTO may be “carried over” from year to year until a maximum of 1.66 times the employee’s annual accrual worth has been accrued, at which time PTO accrual stops until it has been drawn down below the 1.66 maximum allowance.

<u>Full Years of Service (FT)</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
0 – 2.99	88 Hours (11 Days)	146.08 Hours (18.25 Days)
3– 6.99	136 Hours (17 Days)	225.76 Hours (28.22 Days)
7+	184 Hours (23 Days)	305.44 Hours (38.18 Days)

PTO accrual account cannot go negative. If a non-exempt employee’s accrued PTO reaches a zero balance, time off will not be paid until the accrual is positive again.

If a recognized holiday falls during an employee’s vacation period, it will not be considered as a PTO day.

Milestone reserves the right to schedule PTO for employees or to compensate employees for earned, unused PTO time at any time in its sole discretion. Although salary will not normally be paid to current employees in lieu of unused accrued PTO, all earned, unused PTO will be paid as wages at the time of termination.

## **G. Holidays**

Milestone observes and allows time off with pay for eligible employees for each of the following 10 holidays.

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

If a Company holiday falls on a weekend, Milestone will designate a Friday or Monday as the day off with pay. The specific dates of the holidays will be published on ADP and the corporate intranet prior to the start of the new year.

### **Eligibility for Paid Holidays**

All regular full-time employees are eligible for holiday pay. Part-Time and Temporary Employees are not eligible for holiday pay. Employees on leave of absence are not eligible for holiday pay.

### **How it Works**

Employees receive eight (8) hours of pay for each designated holiday, or the number of hours normally scheduled to work if fewer than 8 hours. To be paid for the holiday, you must work your scheduled days before and after the holiday.

In the event of illness, Milestone reserves the right to require medical proof for an employee to be eligible for holiday pay. If a holiday falls during an employee's vacation period, it will not be counted as a vacation day.

### **Work on Holidays**

Regular full-time hourly (non-exempt) employees required to work on a company designated holiday will be paid for all hours worked at the regular hourly rate in addition to eight (8) hours of

straight time pay for the holiday. All hours worked (not to include holiday pay) will be included in calculating any overtime pay for that workweek.

Regular full-time salaried (exempt) employees required to work on a holiday will receive their regular base pay for the week. In lieu of working the holiday, employees may take an alternate day off within a 30-day period following the holiday. Such time off shall be at the mutual convenience of the company and the employee.

#### Alternate Work Schedules

Employees who work an alternate schedule, i.e. 4x10s, receive eight (8) hours of pay for the holiday and may designate PTO to account for the unpaid hours on the holiday corresponding to the normal work schedule.

#### Holidays are not an Accrued Benefit

Company holidays are not an accrued benefit; and therefore, there is no entitlement to receive payment for holidays at time of termination.

### **G. Sick Leave Benefits**

Milestone provides paid sick leave through the PTO benefit described in Part F listed above. Provisions for time off due to illness are also addressed in Section VI: Employee Benefits and Time Off.

Milestone may request a doctor's certificate for verification of an absence due to sickness. If the employee has had a serious illness or accident, a doctor's certification releasing the employee to return to regular employment may be required. In some circumstances, Milestone may request the employee to be examined by a doctor selected by the Company.

#### **California Paid Sick Leave (PSL) (For California Employees Only)**

The California Paid Sick Leave is effective July 1, 2015. Eligible employees may use three (3) days (24 hours) of PTO (Paid Sick Leave for part-time and temporary employees) qualifying as California Paid Sick Leave time for the diagnosis, care or treatment of, or preventive care for any existing health condition of the employee or employee's family member, including child, stepchild, legal ward, spouse or registered domestic partner, sibling, parent, step-parent, legal guardian of employee or employee's spouse/domestic partner, grandchild, and grandparent.

California Paid Sick Leave time also qualifies for the care or treatment as a victim of domestic violence, sexual assault, or stalking.

Part-Time and Temporary employees will accrue one (1) hour of Paid Sick Leave (PSL) for every 30 hours worked, up to six (6) days per year since they do not accrue PTO. Maximum hours are based on the employee's assigned work schedule. Accrual begins immediately. PSL may be "carried over" from year to year until a maximum annual accrual worth has been accrued, at which



time PSL accrual stops until it has been drawn down below the maximum allowance of six (6) days.

- Must work for Milestone for at least 30 days within a year in California.
- Not eligible to use until 90 days following date of hire.
- Only allowed to use up to 24 hours or 3 days per year.

## **H. Family and Medical Leaves**

### **General Provisions**

All Milestone employees are subject to the provisions of the federal **Family and Medical Leave Act (FMLA)** of 1993 and any applicable state statutes. Employees assigned to Client facilities within California may be also subject to the provisions of the State of **California Family Rights Act of 1991 (CFRA)**, as amended by AB 1460.

Eligible employees may take an unpaid leaves of absence of up to twelve (12) weeks in a year. This means that each eligible employee may be granted a total of twelve (12) weeks for either a medical disability leave of absence or a family care leave of absence, or a combination of the two, within a twelve (12) month period. Requests should be made as soon as the employee is able to anticipate the need for such leave. Human Resources can provide more extensive information on the terms and conditions of medical disability leaves and family care leaves of absence.

Leaves are available:

- for the birth or adoption or foster care placement of a Child or the care of a newborn Child (counts toward FMLA and CFRA entitlements); or
- to care for the employee's Child, Parent (not in-law), Spouse or Registered Domestic Partner who has a Serious Health Condition (counts toward FMLA/CFRA leave entitlements except that time to care for employee's Registered Domestic Partner does not count toward FMLA leave, only CFRA leave); or
- for a Serious Health Condition that makes the employee unable to perform one or more of the essential functions of his/her job (generally counts toward FMLA and CFRA leave entitlements). There are special rules which apply only to pregnancy-related disabilities; or
- for leave due to Qualifying Exigency arising out of the fact that the employee's Spouse, Child or Parent is a covered military member who is on Active Duty in the Armed Forces, National Guard, or Reserves or who has been notified of an impending call or order to Active Duty status in support of contingency operations (counts toward FMLA leave entitlement only); or
- to care for a Spouse, Child, Parent, or Next of Kin who is a member of the Armed Forces, including members of the National Guard or Reserves, who has incurred or aggravated a Serious Injury or Illness while on Active Duty that may render the service member unable to perform the duties of his or her office, grade, rank or rating and for which the service member is: (a) undergoing medical treatment,

recuperation, or therapy; (b) an outpatient; or (c) on a temporary disability retired list (counts toward FMLA leave entitlement only unless it also qualified under the second bullet point above. This FMLA leave will also be covered under CFRA if the family member is a spouse, child or parent. If the next of kin is not within these categories, CFRA leave would not be exhausted when FMLA is used. Furthermore, CFRA leave is only 12 weeks, so the last 14 weeks would be FMLA only).

## Eligibility for Leave

In order to qualify for unpaid family and medical leave, other than a pregnancy disability leave, the employee must:

- ***be employed for at least 12 months.*** 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 (7) years. Separate periods of employment will be counted if the break in service exceeds seven (7) years due to National Guard or Reserve military service obligations.
- ***have worked at least 1,250 hours during the 12-month period immediately before the date when the leave is requested to commence.*** The hours of leave will not be counted in determining the 1,250 hours eligibility test for an employee. However, an employee returning from fulfilling National Guard or Reserve military obligations will be credited with the hours of service that would have been performed but for the period of military service.
- ***work in a facility that has at least 50 employees within a 75-mile radius.*** When there is no fixed work site for certain employees (e.g. outside sales personnel), then the work site is construed to be the home base to which affected employees report.

## Family and Medical Leave Definitions

The unpaid family and medical leave policy is administered in accordance with the following definitions:

- “Active Duty” means (a) 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; and (b) in the case of a member of a reserve component of the Armed Forces or National Guard unit, 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.
- “Child,” “Son,” or “Daughter” means biological, adopted or foster child, a step-child, a legal ward or a child to whom the employee stands in *loco parentis*, who is under the age of 18, or is an adult dependent child, i.e., one who is incapable of self-care because of a mental or physical disability. In the context of a Covered Service member or military member on Active Duty or call to Active Duty status, the terms Son or Daughter refer to a Child of any age.

- “Covered Family Member” means a Child, Parent (not in-law), Spouse or under the CFRA, a Registered Domestic Partner.
- “Covered Service member” means: (a) 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; or (b) 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 five years preceding the date on which the veteran undergoes that medical treatment, recuperation, or therapy.
- “Final Regulations:” (a) The Revised Final Regulations issued by the U.S. Department of Labor implementing the Family and Medical Leave Act of 1993 (“FMLA” or the “Act”) effective January 16, 2009 as amended by the Family and Medical Leave Act Amendments in the National Defense Authorization Act of 2010 Conference Report 111-288, and/or (b) any applicable California state laws and regulations.
- “Health Care Provider” is as described in the Final Regulations.
- “Next of Kin” is defined as the closest blood relative of the injured or recovering service member.
- “Parent” means the employee’s biological, adoptive, step, or foster parent, or any other individual who stood in *loco parentis* when the employee was a child. It does not include a grand-parent or parent-in-law.
- “Qualifying Exigency” means the following: (1) short-notice deployment of seven or fewer calendar days; (2) military events and related activities; (3) childcare and school activities when the need to provide such care or attend meetings arises from the Active Duty or call to Active Duty status of a covered military member; (4) financial and legal arrangements related to the Active Duty or call to Active Duty status of a covered military member; (5) counseling; (6) time spent with the Covered Service member on rest and recuperation; (7) post-deployment activities or to address issues relating to Covered Service member’s death.
- “Registered Domestic Partner” means a person who has filed a Declaration of Domestic Partnership with the Secretary of State and who meets the requirements of California Family Code Section 297 and any other applicable state or federal law.
- “Serious Health Condition” means an illness, injury, impairment or physical or mental condition that includes: (1) in-patient care in a hospital, hospice or residential medical care facility, or any subsequent treatment in connection with such inpatient care, or; (2) continuing treatment by a Health Care Provider for a

condition that either prevents the employee from performing one or more essential functions of the employee's job, or prevents the individual from participating in work, school or other daily activities which includes:

A period of incapacity of more than three consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

- Treatment two or more times by a Health Care Provider, by a nurse under direct supervision of a Health Care Provider, or by a provider of health care services (e.g., physical therapist) under orders of, or on referral by, a Health Care Provider; or
- Treatment by a Health Care Provider on at least one occasion, which results in a regimen of continuing treatment under the supervision of the Health Care Provider.

Any period of incapacity due to pregnancy, or for prenatal care (special rules apply); or

Any period of incapacity or treatment for such incapacity due to a chronic Serious Health Condition. A chronic Serious Health Condition is one which: (1) Requires periodic visits for treatment by a Health Care Provider, or by a nurse under direct supervision of a Health Care Provider; (2) continues over an extended period of time (including recurring episodes of a single underlying condition); and (3) may cause episodic rather than a continuing period of incapacity (e.g., asthma, diabetes, epilepsy, etc.); or

A permanent or long-term condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a Health Care Provider. Examples include Alzheimer's, a severe stroke, or the terminal stages of a disease; or

Any period of absence to receive multiple treatments (including any period of recovery therefrom) by a Health Care Provider or by a provider of health care services under orders of, or on referral by, a Health Care Provider, for: (1) Restorative surgery after an accident or other injury; or (2) a condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the absence of medical intervention or treatment, such as cancer (chemotherapy, radiation, etc.), severe arthritis (physical therapy), or kidney disease (dialysis).

Absences attributable to incapacity under paragraph (b) or (c) of this section qualify for family and medical leave even though the employee or the Covered Family Member does not receive treatment from a Health Care Provider during the absence, and even if the absence does not last more than three consecutive, full calendar days. For example, an employee with asthma may be unable to report for work due to the onset of an asthma attack or because the employee's Health Care Provider has advised the employee to stay home when the pollen count exceeds a certain level.

A Serious Health Condition generally will not include conditions like the common cold, the flu, earaches, upset stomach, minor ulcers, headaches, other than migraines, or routine dental problems, unless complications arise.

- “Serious Injury or Illness”: (a) 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; and (b) 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.
- “Spouse” means the employee’s husband or wife as recognized by state law.

### **Duration of Family and Medical Leave**

Employees may be granted up to a maximum of 12 weeks of family and medical leave in any 12-month period. If the leave is related to the Qualifying Exigency of being notified of deployment 7 or fewer days prior to deployment, an employee may take up to 7 days of leave, starting from when the Covered Family Member is provided notice of the deployment. If the leave is related to the Qualifying Exigency of spending time with a Covered Service member on rest and recuperation, an employee make take up to 5 days of leave for each instance of rest and recuperation.

If the leave is to care for a Spouse, Child, Parent, or Next of Kin who is a Covered Service member who has a Serious Injury or Illness, the maximum duration of the leave is 26 weeks in a 12-month period. Family and medical leave taken for other family and medical leave circumstances during the 12-month period will be deducted from the total of the 26 weeks available. In no circumstance may the total family and medical leave taken in a 12-month period exceed 26 weeks.

The 12 months will be calculated forward from the date on which the employee uses family and medical leave.

Leave for the birth, adoption or foster care placement of a Child must be concluded within one year of the birth or placement of the Child. If an employee uses less than 12 weeks to care for a newly arrived Child, the remainder of his/her 12 weeks of leave can be used for any permissible family and medical leave purpose.

If a husband and wife, who are both employed by Milestone, request family and medical leave for the birth, adoption or foster care placement of a Child, their aggregate leave for these purposes is limited to twelve weeks. The same limitations apply to Registered Domestic Partners under the CFRA. If a husband and wife who are both employed by Milestone and request family care leave to care for a Covered Service member, their aggregate leave for this purposes is limited to 26 weeks.

If there is a medical need, leave may be taken intermittently in minimum intervals of four (4) hours or on a reduced work schedule basis due to the Serious Health Condition of a Covered Family Member or the employee or the Serious Injury or Illness of a Covered Service member. If the need for intermittent leave is foreseeable based on a planned medical treatment, Milestone reserves the right to require the employee to temporarily transfer to an equivalent position that better accommodates the recurring periods of leave.

Intermittent leave for the birth, adoption or foster care of a Child generally must be taken in two-week increments. However, the employee can take childcare leave in increments of less than two weeks on two occasions in connection with each birth, adoption or placement for foster care.

To the fullest extent permitted by law, leaves under the federal and state family and medical leave laws will run concurrently. Generally, leave runs concurrently under FMLA and CFRA provided that the leave qualifies under both statutes. If the leave qualifies under only one of the statutes, then to the extent required by applicable law, the employee's leave entitlement under the other statute will not be affected.

### **Notice/Certificates for Family and Medical Leave**

Employees must give Milestone as much advance notice as possible of the need for family or medical leave. If the employee knows about the leave more than 30 calendar days before the leave is to commence, the employee must give Milestone at least 30 days written notice. If 30 days' notice is not possible, such as because the need for the leave is not known more than 30 days prior to its commencement, or because there has been a change in circumstances or a medical emergency, the employee must give as much notice as possible.

If the leave is for a Qualifying Exigency, Milestone may require that the employee provide a copy of the military member's active duty orders and certification providing the appropriate facts related to the particular Qualifying Exigency for which leave is sought.

If the leave is to care for a Covered Service member, Milestone may require the employee to provide a certification completed by an authorized Health Care Provider or by a copy of an Invitational Travel Order or Invitational Travel Authorization issued to any member of the Covered Service member's family. Additionally, Milestone may require certification of the relationship to the Covered Service member and the Covered Service member's military information.

Where the employee's need for the leave is for planned medical treatment or supervision, he/she must consult with his/her supervisor or Human Resources to schedule the treatment or an intermittent or reduced schedule to minimize the disruption to the Company's business.

When an employee notifies Milestone of a need for leave under the family and medical leave laws, within five business days, Human Resources will notify the employee whether the employee is eligible for leave under the family and medical leave laws. If the employee is not eligible for leave under the family and medical leave laws, the notice will include a statement of the reasons for non-eligibility. If the employee is eligible for leave under the family and medical leave laws, the notice will include information on the employee's rights and responsibilities and the number of weeks of leave the employee has available.

If an employee is eligible for leave under the family and medical leave laws, the employee will be required to provide a certificate from the Health Care Provider setting out, among other things, the expected duration of the leave and certifying that the condition warrants family or medical care. If Milestone does not receive proper certification prior to commencement of the leave or within 15 calendar days of requesting the certification, the absence from work may be deemed unexcused unless the delay was caused by circumstances truly beyond the employee's control.

Milestone will notify the employee if the certification is incomplete or insufficient. The employee will then have seven calendar days to correct the identified issues with the notice. Milestone reserves the right to require a second or third opinion, at its own expense, regarding the employee's own Serious Health Condition. Also, in certain circumstances, recertification by the doctor may be requested.

Human Resources will notify the employee as to whether the leave qualifies under the family and medical leave laws within five business days of receiving all of the information necessary for this determination, absent extenuating circumstances. This notice will include a statement of the amount of leave that will be counted against the employee's available leave under each of the family and medical leave laws as well as other applicable leaves.

Generally, if given advance notice of the need for the leave, Human Resources will designate the leave as family and medical leave before the employee goes out on leave. However, Milestone reserves the right to designate a leave as family and medical leave after the leave has begun if it learns of additional facts which allow it to make a determination while the employee is out on leave. In addition, the Company reserves the right to designate the leave as a family and medical leave after the employee returns to work if it does not have sufficient facts on which to make a determination while the employee is out on leave.

If Human Resources does not have sufficient information regarding why an employee is off work, it may inquire as to the reason for the employee's absence. If the employee establishes that the absence is for a family and medical leave or other permissible leave, the time off will be treated consistent with the applicable policy. However, if the employee does not provide the requested information within 15 days of being asked or the information provided is insufficient to establish that the leave is for a purpose covered by the Family and Medical Leave Policy, the leave will be treated as an unexcused absence.

In order to return to work from a medical leave for the employee's own Serious Health Condition, he/she must submit a release to work certification from his/her Health Care Provider.

Upon request, the first time an employee seeks leave due to Qualifying Exigencies arising out of the Active Duty or call to Active Duty status of a covered military member, Human Resources may require the employee to provide: (1) a copy of the covered military member's Active Duty orders or other documentation issued by the military indicating the covered military member is on Active Duty or call to Active Duty status in support of a contingency operation and the dates of the covered military member's Active Duty service; and (2) a certification from the employee setting forth information concerning the nature of the Qualifying Exigency for which leave is requested. The employee shall provide a copy of new Active Duty orders or other documentation

issued by the military for leaves arising out of Qualifying Exigencies arising out of a different Active Duty or call to Active Duty status of the same or a different covered military member.

When leave is taken to care for a Covered Service member with a Serious Injury or Illness, Human Resources may require the employee to obtain a certification completed by an authorized Health Care Provider of the Covered Service member. In addition, and in accordance with the FMLA regulations, Milestone may request that the certification submitted by the employee set forth additional information provided by the employee and/or the Covered Service member sufficient to support the need for leave.

### **Benefits During Family and Medical Leave**

Employees may take any accrued PTO as part of any leave under the family and medical leave laws for their own Serious Health Condition, including a pregnancy-related condition, or to take care of a family member. If an employee takes PTO for a condition that progresses into a Serious Health Condition and the employee requests unpaid leave as provided under this policy, Milestone may designate all or some portion of the related leave taken as leave under this policy, to the extent that the earlier leave meets the necessary qualifications.

After all paid leave is exhausted; the remaining period of the leave will be unpaid. Employees will not earn PTO during the unpaid portion of any family and medical leave.

The substitution of paid time off for unpaid family and medical leave time does not extend the length of the leaves and the paid time off runs concurrently with the FMLA/CFRA entitlement.

While an employee is taking leave under the family and medical leave laws, Milestone will continue to provide health insurance benefits, including during pregnancy disability leave and childcare leave, under the same terms and conditions as if the employee were still working. The employee will be required to continue paying the employee's portion of any premiums. While the employee is using any PTO, the employee's portion of the premium will be paid through payroll deductions. During the unpaid portion of any leave under the family and medical leave laws, the employee will be required to reimburse Milestone for his/her portion of the premium. Failure to make this reimbursement can result in loss of coverage. Employees may use a personal check or cashier's check payable to Milestone.

Milestone's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, Human Resources will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date.

Employees may arrange to pay for their own voluntary benefits premiums during the unpaid portion of the leave. Coverage will terminate at the end of the last period for which premiums are received.

Employees will not be able to continue 401(k) contributions during any period of unpaid leave.

After the employee returns from a leave of 30 days or more, performance and salary reviews will be extended commensurate with the length of the leave.



If an employee fails to return from a family and medical leave, he/she will be required to repay the portion of health insurance premiums paid by Milestone during the unpaid portions of the leave.

For purposes of determining eligibility for employee benefits which are based on length of service (such as the rate of PTO accrual) employees returning from leave will be credited with all service prior to the commencement of the leave, but not for the period of the leave (or cumulative total of intermittent leaves) over 30 days.

### **Reinstatement**

If an employee returns to work at the end of an unpaid family and medical leave which lasts 12 weeks or less, he/she will be returned to the same position held before the leave or to an equivalent position with the same or equivalent pay, benefits and terms and conditions of employment. Special circumstances apply to pregnancy disabilities. Special rules may limit the reinstatement rights of “key employees.” Key employees will be notified of their status when they apply for leave.

An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the unpaid family and medical leave. For example, if there is a reduction in force and an employee’s position would have been eliminated without regard to the fact that the employee is on or has taken leave, the fact that the employee is on or has taken leave will not exempt the employee from being included in the reduction in force.

If the employee fails to return to work on the next regularly scheduled workday following the expiration of the leave of absence, his/her employment will be subject to termination.

When a leave of absence was caused by the employee’s Serious Health Condition, Milestone will require a fitness for duty (FFD) certificate.

### **Miscellaneous**

All requests for family and medical leave of absence will be administered in compliance with applicable federal, state and local laws.

It is unlawful for an employer to interfere with, restrain or deny the exercise of any right protected by the family and medical leave laws.

It is unlawful for an employer to discharge, discriminate against or retaliate against any employee for exercising any right protected by the family and medical leave laws.

It is unlawful for an employer to discharge, discriminate against or retaliate against any person for opposing any practice made unlawful by the family and medical leave laws or for participating in a proceeding under or related to the family and medical leave laws.

An employee may file a complaint with the U.S. Department of Labor or file a private lawsuit against an employer to enforce his or her rights under the federal FMLA and may file a complaint

with the appropriate state agency or file a private lawsuit to enforce his or her rights under the CFRA.

Federal FMLA laws do not affect any state or federal laws prohibiting discrimination, harassment or retaliation and do not supersede state or local laws or collective bargaining agreements providing more favorable benefits.

### **I. Pregnancy Disability Leave (PDL) (For California Employees Only)**

Pregnancy disability leaves of absence will be handled in accordance with all state and federal laws. In addition to the provisions above, which cover all disabilities, the following policies apply to pregnancy disability leaves. These provisions supersede the more general medical leave provisions when there is a conflict. PDL will be designated as leave under FMLA, but not under CFRA. Therefore, Milestone grants pregnancy disability leaves of absence for childbirth or related medical conditions, without pay.

#### **Duration of Leave**

If an employee is disabled because of childbirth, pregnancy, or a related condition, she may take a leave of absence of up to four months with medical verification of the disability. PDL is not available for care of a newborn under CFRA, but only for the mother's own disability. However, after her doctor releases the employee to work, she may apply for leave to care for her newborn for an additional 12 workweeks of CFRA.

The estimated duration of a pregnancy disability leave must be determined by the employee and her doctor. To assist in a smooth transition, employees should share this information with Milestone as far in advance as possible.

#### **Transfer Rights**

An employee who is pregnant is entitled to a transfer from her current position to a less strenuous or hazardous position or duties if:

- The employee provides a certification from her doctor that less strenuous work is medically advisable; and
- A transfer can be reasonably accommodated by the Company.

If it is foreseeable that it would be medically advisable for a pregnant employee to take intermittent leave or work a reduced schedule, Milestone may require the employee to transfer temporarily to an available alternative position that has equivalent pay and benefits, so long as the employee is qualified for the position, and the position better accommodates recurring absences than the employee's regular job.

The employee will be reinstated to her regular job or a comparable position when the employee's Health Care Provider certifies that there is no further need for less strenuous work, intermittent leave or a reduced schedule.

## **Right to Reasonable Accommodation**

Milestone will make a reasonable accommodation for conditions that are related to pregnancy, childbirth or related medical conditions if requested by an employee, with the advice of her Health Care Provider.

## **Notice of Need for Leave, Transfer or Reasonable Accommodation**

An employee must provide at least 30 days advance notice before the start of reasonable accommodation, transfer, or pregnancy disability leave if the need for the reasonable accommodation, transfer, or leave is foreseeable. If 30 days advance notice is not practicable, notice must be given as soon as practicable.

An employee requesting leave, transfer or reasonable accommodation will be required to provide, within 15 days or as soon thereafter as practical, a medical certification stating (i) the employee's need for pregnancy disability leave, a transfer or reasonable accommodation because she is disabled by pregnancy, childbirth or a related medical condition (or because it is medically advisable), (ii) the date on which the leave, transfer or reasonable accommodation will begin and the estimated duration and (iii) a description of any requested reasonable accommodation or transfer. If an employee fails to provide a medical certification within a reasonable time under the pertinent circumstances, the requested reasonable accommodation, transfer or pregnancy disability leave may be delayed.

## **Benefits During a Pregnancy Disability Leave**

An employee may take any accrued PTO as part of their pregnancy disability leave. After all paid leave is exhausted, the remainder of the employee's pregnancy disability leave will be unpaid.

Milestone will continue to provide health benefits for an employee on pregnancy disability leave under the same terms and conditions as if the employee were still working. The employee will be required to continue paying the employee's portion of any premiums (please see the prior section titled "Benefits during Family and Medical Leave" for further information).

For policies regarding other benefits, refer to the section of this Handbook dealing with benefits during family and medical leave. With respect to all benefits, an employee on pregnancy disability leave will be treated no less favorably than employees on other disability related leaves.

## **Reinstatement After a Pregnancy Disability Leave**

If an employee returns to work at the end of a pregnancy disability of four months or less, she will be reinstated to the same position unless the employee would not otherwise have been employed in her same position for legitimate business reasons unrelated to the employee taking PDL or transfer. If an employee is not returned to the same position, she will be returned to a comparable position unless there is no comparable position available at the time she is scheduled to be reinstated or within 60 calendar days of the employee's scheduled date of reinstatement. An employee has no greater right to reinstatement, a comparable position, or to other benefits and conditions of employment than if the employee had been continuously employed during the PDL. For example, if there is a reduction in force and an employee's position would have been

eliminated without regard to the fact that the employee is on or has taken leave, the fact that the employee is on or has taken leave will not exempt the employee from being included in the reduction in force.

The employee will be required to provide Milestone with a fitness for duty certification from her doctor stating that she is released to return to work and indicating any work restrictions she may have. Failure to provide this certification may result in termination of employment. Also, if the employee fails to return to work at the end of any authorized leave, her employment will be subject to termination, unless she is eligible for another form of leave.

### **Child Care Leave After a Pregnancy Disability**

After the employee is released to return to work from a pregnancy disability, she may be given up to an additional 12 weeks of leave to care for her newborn (if she qualifies for that leave), pursuant to the terms of the family and medical leave policy above. The amount of child care leave will depend on whether she already has taken non-pregnancy-related medical or family leave during the past 12 months. For example, if the employee had already taken four weeks of leave to care for a seriously ill parent, she would only be permitted to take off an additional eight weeks to care for her newborn child.

### **Employee Responsibilities**

- Furnish evidence as requested to substantiate the medical need for PDL.
- Notify Milestone in the event that the need for or anticipated duration of the leave has changed.
- Notify your supervisor and Human Resources in writing or in person two (2) weeks prior to the expiration of the leave to confirm interest in returning to work.
- Notify Human Resources in writing if your address or telephone number changes while you are on leave.
- Return to work promptly at the end of an authorized PDL.

### **J. Personal Leave**

Employees who do not qualify for family and medical leave or who have exhausted all of their family and medical leave may apply for a personal leave of absence. Personal leaves will be granted solely at the discretion of the Company, based on the circumstances in each case, including the needs of the business and whether the employee can be spared from their assigned duties due to client services requirements. If a personal leave is approved, it generally may be granted without pay, for a minimum of five (5) and a maximum of thirty (30) work days.

Full-Time regular employees are responsible for paying their insurance premiums while on a personal leave of absence. Milestone will continue to pay its portion of the employee's elected health insurance coverage.

The Employee must return to work from a Personal Leave of Absence on the effective ending date of the leave, or you will be considered to have voluntarily terminated your employment on that date. Return to work is contingent upon a position being available.

At the end of a personal leave, Milestone may consider the employee for suitable positions. However, the Company cannot guarantee that the employee will be reinstated to any particular position, or at all, at the end of the personal leave. Employees on a personal leave have no greater rights to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during a personal leave.

**K. Military Leave and the Uniformed Services Employment and Reemployment Rights Act (USERRA)**

A military leave of absence is provided to eligible employees. Generally, a military leave of absence is unpaid. Exempt employees will be paid their regular salary for any week in which they have temporary military duty if they also perform duties on behalf of Milestone during that workweek. If an employee participates in annual military training, he/she may apply any available PTO to the leave; however, he/she is not obligated to do so. When the need for military leave is foreseeable, the employee must notify his/her supervisor and Human Resources as far in advance as possible so arrangements can be made to cover their duties. Written authorization from the military branch for the employee's leave should be provided upon request of the leave.

When an employee takes a leave of absence to perform military service, he/she may elect to continue any existing health plan coverage for up to 24 months while he/she is in the military. If the employee does not elect to continue coverage during the military service, he/she will have the right to be reinstated to the Company's health plan upon return.

During military leaves of up to 30 days, the employee can continue his/her health insurance by paying his/her normal employee portion of the premiums. During military leaves over 30 days in length, the Milestone will have no obligation to pay its portion of the employee's health insurance coverage. The employee will have the option of electing to continue his/her health insurance if he/she pays the full employer cost of the health insurance. The employee will also be required to pay the premiums for dependent coverage.

Upon completion of duties, the employee will be reinstated into his/her former position or into another position of equal pay and status, consistent with applicable laws. The length of time the employee has to report to back work after the end of the military leave will depend on the type of leave taken. Please contact Human Resources as soon as the need to use this benefit is identified for additional information regarding military leaves, including information regarding job reinstatement rights.

Reemployed Service members are entitled to the seniority and all rights and benefits based on seniority that they would have attained with reasonable certainty had they remained continuously employed. Thus benefits that accrue with the length of service continue to accrue while the employee is on military leave.

**L. Leave for Spousal Military Leave**

Any employee whose spouse or registered domestic partner is a member of the Armed Forces of the United States, including the National Guard or Reserves, will be provided an unpaid leave of up to ten days while his or her spouse or registered domestic partner is on leave from deployment provided the following conditions exist:

- the employee works an average of 20 or more hours per week;
- the military spouse or registered domestic partner has been deployed during a period of military conflict to an area designated as a combat theater or combat zone;
- the employee provides notice of the request for leave within two business days of receiving official notice that his or her spouse or registered domestic partner will be on leave from deployment; and
- the employee submits written documentation that his or her spouse or registered domestic partner will be on leave from deployment during the period for which the employee is requesting leave.

## **M. Court Appearances**

### **Jury Duty (For All Regular Full-Time Employees)**

Milestone encourages employees to fulfill their civic responsibilities by performing jury duty service when summoned. Regular full-time employees may be granted up to three (3) regular scheduled workdays off per calendar year, without loss of pay, when summoned to serve on a Jury. You may use any accrued Paid Time Off as compensation in addition to the three days.

### **Compulsory Court Appearances (For California Employees Only)**

Any employee who is compelled to appear as a witness by subpoena or other legal process shall be excused for the time required in order to give testimony, without pay. You may use any accrued Paid Time off as compensation during this time.

### **Voluntary Court Appearances (For California Employees Only)**

Voluntary witness appearances on Company time must be approved by your supervisor in advance.

Generally, leave for court appearances or jury duty is unpaid. However, an employee may use available Paid Time Off. Exempt employees will be paid their regular salary for any week in which they perform civic duty if they also perform any work on behalf of the Company during that workweek.

The employee must show the jury duty summons, witness subpoena or other legal process to his/her supervisor immediately after receipt so that arrangements can be made to accommodate their absence. Employees are expected to report to work whenever the court schedule does not require their presence. The employee must provide Milestone, within a reasonable amount of time, with evidence from the court that he/she has appeared in court.

## **N. Time Off to Vote (For California Employees Only)**

Milestone encourages employees to fulfill their civic responsibilities by voting. In accordance with certain State laws, paid time-off will be permitted to all employees for voting purposes when required. Employees should request time off to vote from their supervisor at least two working days prior to Election Day so that the necessary time off can be scheduled at the beginning or end of the work day, whichever provides the least disruption to the normal work schedule. Total time-

off may not exceed two (2) hours on any voting day. Use of this time for other than voting purposes is expressly forbidden and can result in discipline, up to and including termination of employment.

**O. Time Off to Appear in a Child's School (For California Employees Only)**

In accordance with California State law, an employee who is the parent or guardian of a child in elementary school, or the parent or guardian of a child who has been suspended from school, is allowed up to forty (40) hours off per school year for the purpose of participating or appearing at the school. Reasonable notice to the employer is required, and time off is unpaid unless the employee submits a request to use accrued PTO for this purpose. The employee is limited to eight (8) hours off for this purpose in any one calendar month of the school year, and may be required to show documentation from the school of such participation

If an employee gives Milestone reasonable advance notice, he/she will be given time off without pay unless accrued PTO is used: (1) to appear at the school of the employee's child when the employee is required to do so by the school because a child has been suspended; and (2) for up to 40 hours per school year to participate in activities at the school(s) of the employee's children. If the employee is granted such time off, he/she must provide Milestone with documentation from the school as proof that he/she participated in school activities on a specific date and time.

**P. Time Off for Literacy Programs (For California Employees Only)**

Employees with illiteracy problems may request the Company's assistance in enrolling in an adult literacy program. Milestone will not pay for such enrollment, nor will it pay an employee's wages for participating in the program.

Milestone will make a reasonable effort to accommodate such requests, but will not be required to do so if an accommodation would impose an undue hardship on the Company. Milestone will make a reasonable effort to safeguard the privacy of employees who reveal an illiteracy problem. Employees who reveal an illiteracy problem shall not be subject to termination because of such disclosure.

**Q. Bereavement Leave**

Regular full-time employees may be granted up to three (3) regular scheduled workdays off, without loss of pay, upon a death of an immediate family member. Immediate family is defined as a current spouse, parent, parent of current spouse, child, stepchild, grandchild, brother, sister or grandparent. Milestone may require proof of death of the relative when granting Bereavement Leave.

**R. Victim of Domestic Violence, Sexual Assault Leave or Stalking (For California Employees Only)**

Milestone will provide employees who are victims of domestic violence, sexual assault, or stalking time off to provide for their own or their child's health, safety or welfare. Employees who are victims of domestic violence, sexual assault or stalking are entitled to take time off to:

- obtain or attempt to obtain relief, including seeking restraining orders or other injunctive relief, to help insure their own health, safety or welfare or the health, safety or welfare of his/her child;
- get medical attention for injuries caused by domestic violence, sexual assault or stalking;
- get services from a domestic violence shelter, program, or rape crisis center;
- get psychological counseling for a domestic violence, sexual assault or stalking related experience; or
- participate in safety planning or to take other action to increase safety from future violence, including temporary or permanent relocation.

Generally, employees must give their employer reasonable advance notice that they need time off for domestic violence, sexual assault or stalking leave. However, in certain circumstances, employees may take an unscheduled leave without giving advance notice.

Certification for domestic violence, sexual assault or stalking leave may include:

- a police report which indicates that the employee was a victim of domestic violence, sexual assault or stalking;
- a court order protecting or separating the employee from the perpetrator, or other evidence from the court or prosecuting attorney that the employee appeared in court; or
- a report from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider, or counselor documenting that the employee was treated for mental or physical injuries.

Domestic violence, sexual assault and stalking leave is unpaid. However, the employee may use any accrued PTO. The Company will maintain the confidentiality of any employee requesting domestic violence or sexual assault leave to the extent possible.

**S. Leave to Attend Court Proceedings for the Victim of a Felony (For California Employees Only)**

If you, an immediate family member (spouse, registered domestic partner, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, or stepfather or the registered domestic partner of your parent) has been the victim of a violent felony, a serious felony or a felony theft or embezzlement, you may take time off of work in order to attend judicial proceedings related to that crime. You must provide as much advance notice of the proceeding as possible and you may be required to provide documentation evidencing the judicial proceeding. You may use your accrued PTO for this leave. Once your accrued PTO is exhausted, the remaining leave will be unpaid. Milestone will keep confidential any records regarding the leave.

**T. Safety Personnel Leave (For California Employees Only)**

Eligible employees may take time off to serve as volunteer firefighters, reserve police officers or emergency rescue personnel during emergencies. This leave is unpaid, though the employee can use any accrued PTO.



Employees are entitled to leave if they qualify as volunteer firefighters, reserve police officers or emergency rescue personnel. Volunteer firefighters include any person registered as a volunteer member of a regularly organized fire department that is officially recognized by the local government in which the department is located. Emergency rescue personnel include any person who is an officer, employee, or member of a fire department or fire protection or firefighting agency of the federal government, the state of California, a city, county, city and county, district, or other public or municipal corporation or political subdivision of this state, or of a sheriff's department, police department, or a private fire department, whether that person is a volunteer or partly paid or fully paid, while he/she is actually engaged in providing emergency services.

Volunteer firefighters, reserve police officers, and emergency rescue personnel may take leave only for emergency duty. There is no limit on the amount of time they may take off to perform emergency duties.

Volunteer firefighters are also entitled to take up to 14 days, unpaid, each calendar year for fire or law enforcement training.

#### **U. Organ and Bone Marrow Donor Leave**

In accordance with State law, employees who donate organs or bone marrow may take paid leave ("donation leave") as follows:

- a leave of absence not exceeding 30 business days in any one-year period for the purpose of donating an organ to another person
- a leave of absence not exceeding five business days in any one-year period, for the purpose of donating bone marrow to another person

The employee must provide written verification that he or she is an organ or bone marrow donor and that there is a medical necessity for the donation. The absence will not be considered a break in service for any purpose and the employee will continue to participate in group health plans in the same manner the coverage would have been maintained if the employee had been at work. The employee must use PTO for the first five days of bone marrow donation leave and/or the first two weeks organ donation leave. Bone marrow and organ donation leave will not count against leave available under state or federal Family and Medical Leave Acts. Donation leave may be taken in one or more segments. An employee who has taken donation leave will be restored to the position held by him/her when the leave began or to a substantially similar position unless conditions unrelated to the leave would have resulted in termination or other alteration of employment terms.

#### **V. Alcohol and Drug Rehabilitation Leave**

Milestone wishes to assist employees who recognize that they have a problem with alcohol or drugs that may interfere with their ability to perform their job in a satisfactory manner. Employees who have a problem with alcohol or drugs and who decide to enroll voluntarily in a rehabilitation program will be given unpaid time off to participate in the program unless it would result in an undue hardship to provide the time off. If an employee requests time off to participate in such a program, Milestone will also make reasonable efforts to keep the fact that the employee enrolled in the program confidential.

The availability of alcohol and drug rehabilitation leave does not prevent Milestone from terminating an employee who, because of the employee's current use of alcohol or drugs, is unable to perform his/her duties, or cannot perform the duties in a manner which would not endanger his/her health or safety, or the health or safety of others. For more information on the Company's substance abuse policy, please see the section of this Handbook entitled Substance Abuse Policy.

The employee may use any accrued PTO while on leave. However, additional benefits will not be earned during the leave of absence.

#### **W. Civil Air Patrol Leave (For California Employees Only)**

An employee who has been employed for at least 90 days who is a volunteer member of the California Wing of the civilian auxiliary of the United States Air Force commonly known as the Civil Air Patrol may take unpaid leave of a total of 10 days per calendar year to respond as duly authorized and directed to emergency operational missions of the Civil Air Patrol. Leave for a single emergency operational mission shall not exceed three (3) days, unless an extension is authorized by the governmental entity in charge of the emergency operational mission and the extension of the leave is approved by Milestone.

Employees are required to give as much notice as possible of the intended dates upon which the Civil Air Patrol leave will begin and end and to provide certification from the proper Civil Air Patrol authority to verify their eligibility for the leave. Civil Air Patrol leave is unpaid. An employee taking leave can choose to use any PTO during the leave.

Milestone will not discriminate against any member of the Civil Air Patrol because of such membership and shall not hinder or prevent a member from performing service as part of the California Wing of the Civil Air Patrol during an emergency operational mission. Upon expiration of a Civil Air Patrol leave, the employee will be restored to the position held when the leave began or to a substantially similar position unless conditions unrelated to the leave would have resulted in termination or other alteration of employment terms exercise of rights under this part by the employee.

#### **X. Accepting Other Employment During Leave of Absence**

If an employee accepts other employment or goes into business while on a leave of absence from Milestone without prior approval of his/her supervisor and Human Resources, the employee will be considered to have voluntarily resigned his/her employment with the Company. In addition, acceptance of outside employment may affect eligibility for other benefits.

#### **Y. General Entitlements during Leave**

Except as otherwise provided in a particular leave policy or as required by law, the following conditions apply. All leaves of absence are provided on an unpaid basis. The period that an employee is on leave of absence is not considered time worked for purposes of determining eligibility for, or the amount of, certain benefits, such as PTO. Milestone will pay for its portion of group health insurance premiums for a period of 90 days. After 90 days, the premiums for such coverage are the complete responsibility of the employee. Employees have no greater rights to

reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during a personal leave.

## **SECTION VII.      SAFETY ON THE JOB**

### **A.      Safety Practices**

Milestone is committed to provide safe and healthful working conditions. Safety and health of our employees continues to be the first consideration in operating this business.

Safety is a shared responsibility among all employees. To maintain an environment free of accidents and injuries requires cooperation in all safety and health matters, not only between supervisor and employee, but also between each employee and his/her coworkers. All employees are expected to obey safety rules and to exercise caution in all of their work activities. Employees shall not engage in any conduct which jeopardizes the health and safety of themselves or others in the workplace. Violations of safety standards or conduct that show either a disregard for safety concerns or negligent or reckless conduct may result in disciplinary action, up to and including termination of employment.

Milestone accepts responsibility for providing the safeguards required to ensure safe conditions. Employees should and must immediately report any unsafe conditions or conduct to their supervisor or Human Resources, so that the problem can be corrected as promptly as possible. This can occur without fear of reprisal in any form

Any actions on your part which endanger yourself, other employees, or company property, may subject you to disciplinary action.

### **B.      Fire Safety**

In case of fire, notify others in your area, if it is safe to do so, and evacuate the building. Fire extinguishers are located in various stations throughout company buildings.

Every employee is responsible for reporting any situation which is a probable fire hazard. These reports should be made to your manager or Human Resources. Every employee is responsible for practicing fire safety and practicing prevention to the greatest degree possible.

### **C.      Power Outages**

In the event of an electrical power interruption, look for illuminated exit signs to direct you to an exit access from the building.

### **D.      Injuries and Accidents**

In case of minor injuries, which do not require medical attention, first aid should be given. First aid kits are obtained from the Administration Department. In the case of an injury requiring immediate, emergency medical attention, paramedics should be called.

For non-emergency treatment of a job related injury or accident, you should go to the medical facility listed on the company bulletin board, which is approved by Milestone for treatment.

A doctor's release is required for return to work after receiving treatment. All injuries or accidents should be reported immediately to your supervisor and Human Resources.

#### **E. Moving and Lifting Heavy Objects**

Employees are prohibited from moving and lifting heavy objects, such as furniture, unless regularly moving such objects is part of the described job duties. Otherwise, moving heavy objects subjects an employee to disciplinary action.

Before lifting a heavy object, check with your supervisor for instructions on proper lifting techniques (i.e., bending at the knees, not the back, and lifting with the legs extended to a standing position).

#### **F. Workstation Ergonomics**

Ergonomics is the study of how the human body interacts with machines and equipment used. In the workplace, the interface between the employee and the various equipment used, is very important.

Proper arrangement and alignment of equipment at your workstation, as well as appropriate physical exercises, are very important to your well-being.

Milestone will attempt to provide (within reason) the necessary equipment to facilitate the needs of all employees. The Company also will maintain the temperature, lighting, and noise level of its facilities at a level that is comfortable for employees, yet appropriate for the nature of its operations.

Employees should inform their supervisor or Human Resources of any concerns about working conditions.

### **SECTION VIII. ETHICAL STANDARDS**

The good name of Milestone Technologies, Inc., as well as its reputation in the marketplace, depends upon the way we conduct our business. It is therefore the responsibility of every employee, as a representative of Milestone, to perform his or her duties in an efficient, honest, and courteous manner and to obey the laws and regulations of all jurisdictions where such duties are performed.

In carrying out our assigned duties, employees are expected to observe the highest standards of business and personal ethics while promoting the objectives and interest of Milestone. Employees must be mindful that unethical actions, or even the appearance of unethical actions, are not acceptable, even though they might seem to be standard business practices for others or even though it appears that "everyone else is doing them."

No one can justify or be excused from the consequences of an action prohibited by Milestone saying that he or she was ordered to perform such an action by someone higher in authority. No one is ever authorized by Milestone to direct an employee to commit a prohibited act. Each employee alone is responsible for his or her own actions.

Any employee who intentionally violates Milestone's ethical policies, including the conflict of interest policy, or who fails to disclose a possible conflict of interest, is subject to the appropriate disciplinary action including dismissal and prosecution.

In order to assist employees in avoiding any incident which might compromise Milestone's reputation, this policy describes situations to be avoided by all employees in performing their job assignment. These examples are general and should not be interpreted as covering all possible situations. For any situation not covered, employees are expected to behave according to the highest standards of business conduct. Whenever employees are uncertain as to the propriety of any given act, they should consult the Human Resources Department. In all instances, any member of the management team is available to answer any question.

**A. Relationships with Vendors, Customers and Competitors**

Because of the close business relationship that exists between Milestone and its vendors and customers, dealings can be sensitive and involve both legal and ethical issues. The following basic rules should be strictly observed in all such dealings:

- Current or potential vendors and customers are to be treated honestly and fairly, and all dealings are to be conducted on an arm's length basis.
- Sales and purchases by Milestone shall be based on price, product quality, and service, including the consistency and dependability of the basic customer and supplier relationships.
- No employee or member of his or her family shall accept or give to any vendor, customer, or competitor any money, gifts, or other nominal value, unusable sociability or entertainment, loans, or preferential treatment.
- No payments or gifts shall be made or accepted by Milestone or any employee when dealing with customers and vendors, either to obtain or retain business or to alter prices.
- No employee shall make false, misleading, unfair, or other damaging remarks to vendors or customers about vendors, customers, or competitors.
- No employee who has acquired confidential information concerning any current or potential vendor or customer shall reveal that information to anyone except as is necessary in the normal course of Milestone's business.

**B. Fees for Consultants, Agents Officials and Others**

At such times as Milestone engages the services of outside consultants, contractors, agents and others in the normal course of business, payment for such services will be made only at competitive rates and commensurate with the services performed. Under no circumstances will any type of payment be made, offered, or promised which is intended to influence the recipient to act in

Milestone's favor or in some other way contrary to his or her responsibilities or professional judgment. An improper payment shall not be handled indirectly through a third party or disguised in the form of a special price, increased commission or discount in order to avoid application of this rule.

Selection of a particular agreement, contractor or consultant shall be based upon professional, not personal, criteria. In keeping with this policy, the services of companies or persons with which the employee has a relationship shall be disclosed in order to prevent a possible conflict or the appearance of one.

### **C. Gift Giving and Receiving**

No employee or representative of Milestone or any member of an employee's family, will either give or accept any cash, property, privileges, discounts, favors, or loans of cash or property to or from anyone with whom Milestone does business, or is negotiating to do business, or has any other relationship with as a corporation.

This policy should be kept in mind especially when dealing with customers and vendors.

A basic test for determining whether it would be wrong to give or accept a gift is whether giving or receiving that gift could reasonably be viewed by anyone as being done to gain a business advantage. Exceptions to this rule may be made only in situations involving exchange of inexpensive souvenirs or advertising mementos.

Since social gatherings and events often play an important part in a business relationship, Milestone's rule concerning gift giving or receiving generally does not prohibit reasonable entertainment if consistent with business custom, such as:

- Meals
- Sports events
- Outings
- Invitations to meetings at seminars
- Invitations to conventions and conferences

Activities of this kind may be important in furthering the interest of Milestone; however, such contacts should be infrequent and should never be solicited by an employee. These invitations must always be related to a legitimate business need of Milestone.

An employee who receives a gift which is not allowed by Milestone policy should return the gift to the giver with an appropriate explanation. If it is not possible to do so, the gift should be turned over to Milestone.

### **D. Confidential Information**

All new employees are required to sign a Non-Disclosure Agreement upon hire as a condition of employment. Much of the information Milestone receives from its suppliers and customers,

including future order requirements, pending quotations for specific projects, and pricing for such, is highly confidential and is received under written nondisclosure agreements which make Milestone liable for damages in the event information is released.

In general, confidential information includes trade secrets and technical procedures and policies, financial and business information concerning equipment, new developments, future plans, daily policy and procedural matters, litigation, human resources data, financial results or projected results, earnings, and other matters.

This information may be in the form of letters, drawings, plans, notes, memos, records, computer printouts, or anything marked “confidential” or it may not even have been recorded, may instead have been heard in a meeting or passed on in a conversation or overheard while being discussed by other employees. Confidential information concerns both present operations and plans or projections for the future.

Every employee has an individual responsibility to safeguard confidential information which he or she has obtained in connection with his or her employment. Such information can be passed on only to those who have a “need to know” in the performance of a job’s assignments and responsibilities. In most cases, an employee’s duty to safeguard confidential information is relieved once Milestone releases that information to the public in a speech, publication or news item. An employee may be held liable to Milestone for any benefit derived from improper use of confidential information or any damage inflicted on Milestone as a result of unauthorized disclosure.

When an employee’s service with Milestone has ended, all documents or records containing confidential information must be turned in; however, the employee is not then relieved of his or her responsibility to safeguard confidential information. Any confidential information learned while working for Milestone must remain confidential.

As a matter of business ethics, the above guidelines relate not only to Milestone but also to Milestone’s suppliers, customers, and others with whom Milestone maintains business relationships.

#### **E. Corporate Political Activity**

No contribution of payments or funds of Milestone property will be made and no Milestone facilities or services will be made available to support or oppose any political activity in any jurisdiction, even where it is legal to do so.

Prohibited contributions or payments are considered to include subscribing to campaign publications, use of Milestone’s name in political advertisements, purchase of seats at a political dinner or other fund raising events, furnishing the services of employees for political purpose during work hours, and allowing candidates to distribute literature on Milestone premises.

No employee may make or approve any such contribution on behalf of or in the name of Milestone. Milestone will not align itself with or allow its name to be used in support of, or opposition to, any political party, candidate for public office, or political issue. As a representative of Milestone, an

employee will not use his or her position or title while supporting or opposing any political activity. By this same rule, Milestone and its employees are prohibited from exerting any pressure, direct or indirect, that seeks to influence another employee in making his or her own personal political decisions.

#### **F. Compliance with Laws**

As a corporate entity, Milestone is subject to many laws enacted by the federal, state and local governments to regulate the activities of corporations. This means that employees acting in their official capacities as representatives of Milestone must comply with these laws in the performance of their job assignments. Of course, employees have the additional responsibility of obeying the various laws which control personal behavior, such as laws against theft, whether during or outside of working hours.

While it is not the scope of this policy to detail the various laws employees are subject to, the next few pages describe certain considerations with which all employees should be familiar. These include the following:

- Illegal Payments
- Integrity of Milestone Records
- Inside Information - Trading in Securities, and Antitrust (*when applicable*).

#### **G. Illegal Payments**

Any dealings between an employee acting on behalf of Milestone and any agent, department or office of any government, foreign or domestic, on the federal, state or local level, or any government contractor or subcontractor, must be kept free of improper attempts to influence any decision. This means that no money, gifts, loans, rewards, discounts, favors, or preferential treatment of any kind may be promised, offered, or made with the intention of influencing any act or decision of a government official or civil servant in his or her official capacity.

Obviously, an agent or other intermediary may not be used to accomplish what the employee is prevented from doing directly. This subject is discussed further under section “A” entitled, “Relationship with Vendors, Customers, and Competitors.”

#### **H. Integrity of Milestone Records**

Almost all employees report information as part of their responsibilities, whether it involve order forms, correspondence inside or outside the office, expense accounts, payroll records, hours worked, or other essential data. Such records are of critical importance to Milestone in meeting its financial, legal, and managerial responsibilities and objectives. Consequently, all reports should be prepared with care and honesty, and any employee making a report is responsible for the accuracy and reliability of the information reported.

Some forms of inaccurate reporting are obvious. Examples of these include listing a fictitious expense on an expense report, keeping accounts off of Milestone’s books, failing to value properly a Milestone asset on the books, and falsifying any record of hours worked. Even though



information reported may be accurate, it should not be organized or arranged in such a way that it could mislead or misinform the reader.

Of course, no employee should ever assist another employee in preparing an inaccurate report or allow a report to be submitted which is known to be inaccurate.

## **I. Insider Information & Trading in Securities**

When stock and other securities are publicly traded, companies are required by law to disclose promptly and accurately all “material” corporate developments, both favorable and unfavorable.

Information is considered “material” if it might affect the value of securities or influence anyone’s decision to buy, hold, or sell them. Examples of possible material development include earning results, acquisitions, dividends, stock splits, mergers, new lines of business, price changes, and changes in management, among others. Disclosure must be made simultaneously to shareholders, the financial community, and the general investing public and not exclusively to any individual or particular group.

In the course of daily business activities employees may acquire material information concerning Milestone, our customers or vendors. Such information must be held in the strictest confidence, until it has been publicly disclosed, and precautions must be taken to avoid accidental disclosure. Regulations or laws may exist that require employees who do have such “insider” information not to buy, sell or in any way deal in the securities of any company whose value may be effected by such information until a public disclosure has been made and the public has had enough time to evaluate the information.

Misuse of insider information is not only unethical and contrary to Milestone policy, but it may also subject an employee to prosecution for violation of federal securities laws, as well as legal action for recovery of any losses suffered by persons who acted or failed to act because they did not have equal access to the information.

Of course, this policy also precludes any attempt to act indirectly through a friend or relative or simply passing such information on to any person who may then act on his own. Such persons who acquire inside information are considered “insiders,” just like the employee, and may be subjected to the same penalties for misuse of the information.

Material insider information may also include undisclosed facts about another company, including Milestone’s customers, vendors, or competitors, if the information could affect the price of the company’s securities. Disclosure of the insider information about another company could result in the employee being considered an insider of that company and may subject him or her to penalties for premature disclosure.

Laws against premature disclosure of insider information obtained while working for Milestone continue to apply even after an employee no longer works for Milestone. As a general rule, if a Milestone Employee is going to trade in stocks or securities of a customer or vendor of Milestone, our employee should follow the guidelines of these companies for their internal employees. THIS

SECTION IS NOT INTENDED TO PROVIDE LEGAL GUIDANCE, AND YOU SHOULD CONSULT YOUR OWN ATTORNEY FOR ADVICE IN THESE MATTERS.

## **J. Antitrust**

The various federal laws concerning antitrust are designed to maintain competition in similar products and services in the marketplace. These laws impose a number of obligations on all companies and specifically prohibit certain practices such as the following:

- Setting up a system of reciprocal purchases and sales.
- Boycotting the goods or services of some other enterprise.
- Allocating or dividing up customers, markets or territories.
- Fixing prices, terms, or conditions of sales.
- Making formal or informal agreements with other businesses, which would in any way restrict competition ( including, for example, price fixing, bid rigging, allocating customers, or refusing to deal with a third party).
- Granting favorable trade terms or discount arrangements.

Since this is a complicated area of the law, any questions concerning antitrust matters should be referred to the CEO or Human Resources.

## **SECTION IX. EXPECTATIONS OF CONDUCT AND COMMUNICATION**

### **Milestone Technologies, Inc. – Employee Handbook**

### **SECTION IX. EXPECTATIONS OF CONDUCT & COMMUNICATION**

#### **A. Expectations of Conduct**

The way employees conduct themselves in the work environment is critical to all business operations of Milestone. Employees are expected to conduct themselves in an intelligent, mature and responsible manner. Employee conduct on the job should be governed by personal judgment, consideration for fellow employees, and concern for the efficiency of the Company/Client. In this regard, there are certain expectations of conduct that all employees must know and follow. These expectations are designed for the protection of our employees, and for the good of Milestone.

Some good work habits that foster a positive environment include:

- Conducting yourself in a way you personally are proud of when representing Milestone.
- Using Company property for Company business only, and taking care of personal business on non-work time.
- Having consideration for your fellow employees in all your actions.
- Becoming familiar with Milestone policies and practices and feeling comfortable in asking questions.
- Keeping your work area organized as a courtesy to fellow employees and visitors.

Where, in the judgment of the Company, an employee's performance or conduct does not meet our standards or expectations, Milestone will take the action that it determines to be appropriate.

In addition, Milestone, in its sole business judgment, may decide to lay off, discharge or dismiss employees for any other reason that the Company deems to be in its business interests.

Employees shall be subject to disciplinary action, up to and including termination of employment without notice, for inappropriate behavior, unsatisfactory performance or inability to perform effectively in the organization. Company action in a case will depend on consideration of, among other things, the seriousness of the conduct, the past employment record of the employee, the circumstances surrounding the matter and the needs of the business.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary or corrective action, including suspension or termination of employment:

- Violation of Milestone's Equal Employment Opportunity Policy, including discriminatory statements or acts, and sexual harassment of any kind;
- Interference with the rights of others;
- Fighting or threatening violence in the workplace;
- Falsification of timekeeping records or other employment-related documents;
- Unexcused or excessive absence, including failure to work required overtime;
- Misappropriation or unauthorized removal or possession of Company-owned property;
- Negligence or improper conduct leading to damage of Company-owned property;
- Use of Milestone's resources, including facilities, personal mail, telephones, equipment or systems for non-business purposes;
- Violation of the Milestone's policy regarding access to the Company's computer system;
- Unauthorized disclosure of confidential or proprietary information belonging to Milestone, its suppliers, or customers;
- Acts which tend to jeopardize good relations between Milestone and its employees, suppliers, or customers
- Violation of the Conflict of Interest Agreement;
- Violation of the Company's substance abuse policy, or working under the influence of alcohol, illegal drugs or other controlled substance;
- Violation of safety or health rules;
- Violation of no smoking policy;
- Sleeping or loafing on the job;
- Unsatisfactory performance or conduct;

- Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace, on company property and/or at a client site;
- Committing a crime;
- Unauthorized distribution or posting of literature or soliciting of other employees;
- Violation of personnel policies or procedures;
- Inattention to duties, concealing defective work, insubordination, unprofessional, or disruptive behavior;
- Failure to cooperate in an investigation; and
- Breach of any other policy statement found in the employee hand book or otherwise issued.

Failure to conform to Milestone's standards of conduct, whether or not listed above, will be grounds for disciplinary action ranging from a verbal warning to immediate termination of employment, depending upon Milestone's judgment of the seriousness of the offense.

Nothing in this list set forth above alters the at-will nature of your employment. Either you or Milestone's may terminate the employment relationship with or without reason, and in the absence of any violation of these rules.

A.

#### **Personal Appearance and Appropriate Work Attire**

Employees are asked to use their common sense with regard to their dress and appearance, and are expected to present a professional image. Employees should dress according to the requirements of their positions.

Milestone recognizes the importance of individually-held religious beliefs and will make reasonable accommodations for its employees' religious dress and grooming practices

#### **Professional & Administrative Staff**

Milestone strives to maintain a professional image. While the Company does not enforce a rigidly defined dress code, the basic grooming standard for all employees consists of professionalism, cleanliness, neatness, and good taste.

Leisure wear, such as warm-up suits, shorts, tank tops, T-shirts, flip flops, etc. is not appropriate. An employee deemed to be dressed inappropriately may be directed by the appropriate supervisor to leave the Company facility and change to appropriate attire. Disciplinary action, up to and including termination of employment, could result from violation of this policy.

#### **Other Positions**

Some positions require more durable and functional clothing. This does not change the need for basic grooming standards of cleanliness, neatness, and good taste. However it does allow for suitable attire as determined by management for certain positions. Employees may be required to wear uniforms or other protective clothing if, at the sole discretion of Milestone or the Client, such clothing is deemed to be beneficial.

## **B. Solicitation and Distribution of Literature**

The Company has established rules applicable to all employees and nonemployees that govern solicitation, distribution of written material, and access to Company property. Strict compliance with these rules is required.

- Employees may engage in solicitation activities only during nonworking time. No employee may engage in solicitation during his or her working time or during the working time of the employee or the employees at whom such activity is directed;
- No employee may distribute or circulate any written or printed material in work areas at any time, or during his or her working time or during the working time of the employee or employees at whom such activity is directed;
- Non-employees are not permitted to solicit or to distribute written material for any purpose on Company property; and
- Off-duty employees are not permitted in work areas.

As used in this policy, "working time" includes all time for which an employee is paid and/or is scheduled to be performing services for the Company; it does not include break periods, meal periods, or periods in which an employee is not performing and is not scheduled to be performing services or work for the Company.

## **C. Conflicts of Interest**

An employee assumes certain obligations involving loyalty and trust when employed by Milestone. These obligations may easily be compromised when a conflict, or even the appearance of a conflict, exists between an employee's private interests and the legitimate business interest of Milestone.

In general, a conflict of interest exists when an employee's loyalty to Milestone is or may be affected by some outside interest, activity, influence, or relationship. A conflict also exists when an employee takes advantage of his or her position with Milestone for personal benefit, or to benefit a friend or relative, or when an employee's private interests conflict with the business interest(s) of Milestone. As a result of such conflicts, an undesirable situation occurs in which the employee's work assignments do not receive his or her full efforts and fair, honest, and impartial judgment.

Any situation where there is some doubt as to whether a conflict of interest exists can be resolved with proper advice. For this reason information about the existence of any situation which may involve a conflict of interest must be reported immediately to the employee's supervisor. If it appears that a conflict of interest does exist, the matter will be reviewed and corrective action recommended by the appropriate manager.

Similarly, Human Resources must be notified prior to hiring of any prospective, temporary, seasonal or contract employee, vendor or consultant who is related to anyone employed at

Milestone or elsewhere in the high-tech industry or who engages in outside activity which may present a conflict of interest.

The following examples are general and should not be interpreted as covering all possibilities. The absence of any particular example does not relieve employees from their basic responsibilities to Milestone.

### **Outside Business Interests**

A generally undesirable situation occurs whenever an employee's loyalty is divided between Milestone and another business organization. A particularly serious instance of divided loyalty may arise if an employee has a direct or indirect financial interest in or other relationship with, a competitor, vendor, or other business with which Milestone has, or may be expected to have, dealings.

Such a situation can easily impair an employee's independence of judgment or influence his or her actions in carrying out a work assignment. Therefore, any interest, regardless of its size or seeming importance, which could affect an employee's objectivity, should be avoided. This policy applies equally to the interest of members of the employee's household or other close relatives or associates if such interest could influence the employee's judgment.

Exceptions to these policies may be made in cases involving ownership of small amounts of stocks, bonds, or other securities issued by a publicly-held corporation. However, only Milestone has the authority to decide whether a legitimate exception exists.

### **Outside Employment**

Employees are required to inform Milestone before accepting any employment or consulting relationship with another person or entity. While Milestone does not prohibit outside employment, employees should not accept outside work which creates a conflict of interest or which interferes the employee's work for the Company.

In particular, the following situations should be avoided:

- Engaging in outside interests that may embarrass or discredit Milestone.
- Engaging in any outside employment that would affect an employee's objectivity or independent judgment in performing his or her duties with Milestone.
- Being unable to devote the time and effort necessary to complete Milestone work assignments.
- Engaging in any outside employment which conflicts with the business interest(s) of Milestone.
- Soliciting business or clients, or performing outside work on Milestone premises or on Milestone time.
- Engaging in any outside employment that would involve the use or disclosure of any confidential Milestone or Client information.
- Working for an existing or potential supplier, customer, dealer, or competitor of Milestone in any capacity.

- Engaging in any outside employment which involves the delivery of services to any Milestone supplier, customer, or employee.

No employee shall perform any work or provide any service which is in competition with Milestone's services.

The continued employment of an employee whose spouse or other close relative is employed by a vendor, customer, or competitor of Milestone may constitute a conflict of interest and must be reported to Human Resources.

Employees must advise Milestone if they serve as an officer or director of any business organized for profit.

The above basic rules apply to being self-employed as well as working for another business.

### **Community Service**

Milestone encourages all employees to be good citizens and to participate, if they wish, in civic organizations for the benefit of the surrounding community, such as:

- Charity
- School boards
- City council
- Volunteer groups
- Religious activities

However, in some situations conflicts of interest may arise between an employee's responsibility to Milestone and the requirement of public service. When such conflicts occur, the interests of Milestone have priority. In particular, the following situations must be avoided:

- Participating in any decision-making or voting which may involve Milestone interests, either directly or indirectly.
- Giving the appearance of acting on behalf of Milestone when speaking out or acting on a public issue.

No community service or activity, however worthwhile or beneficial, should interfere with the time and effort necessary for the proper performance of an employee's duties with Milestone.

### **Employee Political Activity**

Milestone recognizes and supports every employee's right to participate in the democratic process, which includes the opportunity to hold political office. However, the following situations are contrary to the best interests of Milestone and are therefore to be avoided:

- Engaging in political activity on Milestone premises or at Milestone's expense.
- Seeking or receiving compensation or reimbursement by Milestone for any personal contributions towards a political cause.

- Giving the impression of acting or speaking on behalf of Milestone while engaged in political activity.
- Engaging in any political activity which conflicts with the legitimate business interests of Milestone.

### **Employee Religious Activity**

Milestone recognizes and supports every employee's right to adhere to and participate in religious belief and activities. However, the following situations are contrary to the principle of acting in the best interests of Milestone and are therefore to be avoided:

- Engaging in religious activity on Milestone's premises or at Milestone's expense.
- Seeking or receiving compensation or reimbursement by Milestone for any personal contributions towards a religious cause.
- Giving the impression of acting or speaking on behalf of Milestone while engaged in religious activity.
- Engaging in any religious activity which conflicts with the legitimate business interests of Milestone.
- Distribution of religious literature and/or materials of any kind for any purpose. Religious literature or materials includes, but is not limited to, anything written, published or recorded (audio or video).

### **D. Protection of Trade Secrets/Non-Disclosure of Company Information**

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

- Compensation data (excluding your own compensation)
- Customer lists
- Financial information
- Labor relations strategies
- Marketing strategies
- New materials research
- Pending projects and proposals
- Proprietary production processes
- Research and development strategies
- Technological data and prototypes

This listing is merely representative, and it does not define confidential information in an exhaustive manner.

All Milestone employees are required to sign a Non-Disclosure Agreement, which also contains provisions regarding proprietary information and inventions as a condition of employment. That agreement defines your obligations in greater detail. Any questions about your responsibilities in this area should be directed to Human Resources.



During and after the term of an employee's employment, the employee is prohibited from disclosing or using any confidential information which the employee learns of or receives in connection with his/her employment. Any employee who misappropriates for his/her own use or discloses trade secrets or confidential business information to other persons or organizations will be subject to disciplinary action, up to and including termination of employment, and legal action, even if he/she does not actually benefit from the disclosed information.

Employees are not permitted to use their own computers, other systems (e.g., cloud computing) or devices to do Company work or to access, store or transmit data or information that is the property of Milestone or the Client, without express written consent from the Company. If you use your own computers or other systems or devices to do Company work or to access, store or transmit data or information that is the property of the Company, you must allow Milestone or the Client to inspect, copy and delete such information at any time when requested to do so and, in any case, prior to the termination of your employment.

Trade secret and confidential business information may be exchanged among Milestone employees on a need to know basis in connection with regular business duties. If an employee has any uncertainty as to whether someone is authorized to receive certain trade secret or confidential business information, the employee should contact Human Resources to discuss the matter before any such disclosure is made.

#### **E. Whistleblower Policy**

Should any employees become aware of the possible misappropriation of Milestone's financial resources or property for personal use, unethical behavior or a violation against of our Code of Conduct Policy, they should report such activity first within their own supervisory chain to their immediate supervisor. If employees are uncomfortable with relying on their direct chain of command for providing this notification or are not satisfied with the response, they are encouraged to notify Human Resources. Another way an employee can anonymously report unethical behavior is through our vendor, Convercent. This service is available 24-hours a day, seven days a week from anywhere in the world.

- Independently report issues at Milestone Technologies Ethics Hotline
  - <https://app.convercent.com/en-us/LandingPage/b0d008fe-9297-e911-a969-000d3ab9f062>
- Call and report an ethics concern directly to a Convercent call center representative:
  - US – call toll free at 1-800-461-9330
  - International – Phone number varies depending on country. Visit our home page at Convercent for country specific number.
    - Call center supports 300+ languages

All such communications will be kept confidential, consistent with the Company's need to conduct an adequate investigation, implement any remedial measures and fulfill legal or regulatory obligations.

Milestone strictly prohibits retaliation against a whistleblower who in good faith reports or raises issues related to a possible prohibited act. Milestone likewise prohibits retaliation against any individual for participating or cooperating in good faith in an internal or external investigation,

hearing or proceeding involving any such complaint or charge. Any employee who retaliates against another individual who in good faith reports or raises issues or concerns related to a possible prohibited act may be subject to appropriate remedial and/or disciplinary action, up to and including termination of employment.

#### **F. Document Destruction Policy**

Milestone's computerized memos, database entries, e-mail, voice messages, and paper files are important records that document business practices and business-related decisions. During internal or external investigations of potential misconduct or unethical behavior, such records can be critical to the inquiry. Although Milestone has adapted routine document destruction schedules to conserve filing and server space, it is against the Company's policy for any employee to destroy, delete, or alter business records of any kind in an attempt to thwart or influence an investigation or when the employee is aware that the record is relevant to a legal claim. Employees who destroy, delete, or alter documents in violation of this policy will be subject to disciplinary action, up to and including termination of employment, as well as possible legal action. Should employees have questions or concerns about whether or not certain documents may be destroyed, deleted, or altered, they are advised to consult with their immediate supervisor before taking any action.

Employees who believe that a colleague is inappropriately handling internal documents should report their concerns to a supervisor as outlined in the Whistleblower Policy.

#### **G. Use of Company Equipment**

Equipment essential in accomplishing job duties can be expensive and difficult to replace. When using equipment, employees are expected to exercise care and follow all operating instructions, safety standards and guidelines.

Please notify a member of the Administration team if any equipment appears to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs or service could prevent deterioration and possible injury to employees or others. Administration can answer any questions about responsibility for maintenance and care of equipment.

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

Any Milestone or Client equipment or other property (including computer hardware and software) in the possession of any employee must be returned to the Company immediately upon request or at the conclusion of employment.

#### **H. Security Inspections**

Offices, desks, filing cabinets, lockers and other storage devices are provided for the convenience of employees, but remain the sole property of Milestone or the Client. Accordingly, they, as well as any articles found within them, can be searched by a representative of the Company at any time, either with or without prior notice.

Milestone also reserves the right, without prior notice, to search its premises thoroughly at any time and to conduct a search of any employee(s) or other person(s) on Company property, including suppliers, vendors or couriers entering or leaving the premises. This includes inspection of purses, briefcases, backpacks, personal computers, cell phones, mobile devices and other containers and data storage devices. An individual's vehicle, including the trunk, glove compartment and containers in the vehicle are subject to search if the vehicle is parked on the Company property.

Milestone may deny entry to the premises to anyone refusing to submit to a search. Failure to cooperate in a search may result in disciplinary action, up to and including termination of employment.

## **I. Use of Company Information Technology (IT) Systems**

This policy outlines guidelines for responsible use of the Milestone's IT Systems, and is designed to protect the Company's information and employees from the possible consequences of inappropriate use of Company IT Systems. The term "Company IT Systems" as used herein includes, but is not limited to, Company computers (desktop and laptop), networks (wired and wireless), voicemail, and telecommunications systems and devices (fixed and wireless), facsimile machines, photocopiers, printers, software, storage media (disks, CDs, USB drives), and other technologies that employees may have access to in the course of Company business. The guidelines provided in this policy apply to all Milestone employees, contractors, consultants, or any other persons who are provided with access to Company IT Systems in the course of providing services of any kind to Milestone ("Users").

Company IT Systems provide critical support to Milestone and its staff in the achievement of the Company's mission, and all Users of Company IT Systems are expected to use them responsibly and in compliance with Company policies and applicable laws.

### **Privacy and Monitoring**

Users have no expectation of privacy while using Company IT Systems. All communications sent, received, transmitted or stored on Company IT Systems are the property of Milestone. In order to implement the Company information security program effectively and enforce Company policies, Milestone must have the ability to monitor the use of Company IT Systems. Milestone may monitor any activity on Company IT Systems and Users should use Company IT Systems accordingly. Authorized Milestone staff may disclose, monitor, access, review, copy, store, move, edit, delete, or otherwise manipulate any electronic information residing on Company IT Systems as is necessary to allow for the proper functioning of Company IT Systems, compliance with Milestone policies and applicable law, or for any other appropriate purpose. This includes, but is not limited to, the monitoring of User Internet use and e-mails, including e-mails sent through private accounts, but sent using Company IT Systems.

**EMPLOYEES AND OTHER USERS SHOULD NOT USE THE IT SYSTEMS TO SEND, RECEIVE OR STORE ANY INFORMATION THAT THEY WISH TO KEEP PRIVATE. EMPLOYEES SHOULD USE THE SYSTEMS WITH EXPECTATION THAT ALL INFORMATION AND COMMUNICATIONS (INCLUDING INTERNET USE AND E-**

**MAILS) SENT, RECEIVED OR STORED ANYWHERE IN THE SYSTEM WILL BE AVAILABLE FOR REVIEW BY THE COMPANY.**

### **Company IT Systems Are Provided for Business Purposes**

Company IT Systems are to be used to conduct Company business. However, occasional non-business use of Company IT Systems, in compliance with this policy, is acceptable. Limited, non-business use of Company IT Systems must be reasonable and respectful and may not interfere with the conduct of Company business or violate Company policies or applicable law. Examples of acceptable, limited, non-business use of Company IT Systems include brief personal phone calls, e-mails, or “web surfing” that do not interfere with a User’s work. Users should show good judgment when utilizing Company IT Systems. As noted above, Milestone reserves the right to monitor Users’ personal use of the Company IT Systems and access the content of personal e-mails sent and web sites accessed through the Company IT Systems.

### **Prohibited Activity**

Company IT Systems shall not be used to engage in illegal, threatening, discriminatory, defamatory, slanderous, obscene, or harassing activity. Company IT Systems may not be used to solicit for any reason or for sending mass emails (“spamming”).

### **Intellectual Property and Licensing**

Users of Company IT Systems must not infringe on intellectual property rights, copyrights, trademarks, or other licensing restrictions. Users must not illegally copy software, data, or other information without the express permission of its owner. Users who have questions about the licensing arrangement for any Company IT Systems should direct questions to the Milestone Service Desk team.

### **Software Installation**

Only software approved by the IT Department may be installed on Company IT Systems. Users who wish to have software installed on Company IT Systems should direct requests to the Milestone Service Desk team.

### **Malicious Code and Viruses**

Users may not knowingly create, execute, forward, or introduce any malicious computer code (e.g., viruses, Trojans, worms) into Company IT Systems. Milestone provides software tools that are designed to assist in the protection of Company IT Systems from malicious code, but Users still must be alert and take appropriate steps to limit the risk of malicious code attacks. Users may not disable any anti-virus or any other security software. If a User suspects a malicious code attack, he or she should contact the Milestone Service Desk immediately.

### **Use of E-mail and Instant Messaging Systems and Electronic Communications**

Electronic communications such as e-mail and instant messages (collectively, “Electronic Messaging”) must be treated carefully. These electronic messages can be misdirected or

misinterpreted causing damage to Milestone, its Clients, and others. Company e-mail and instant messaging technology do not provide data privacy while in transit over other, non-Company networks. Unless explicitly approved in advance, Users are not to use Electronic Messaging, other than those that are internal to the Milestone or the Client, to send or receive sensitive information that requires privacy protections.

Users should consider the following guidance when using Electronic Messaging:

- demonstrate respect and courtesy when using Electronic Messaging;
- do not forward chain or “spam” messages;
- keep personal messages to a minimum; and
- do not send hateful, angry, or otherwise inappropriate messages.

### **Confidentiality of Information**

It is vital to maintain the confidentiality of business information on the Company IT Systems including and not limited to any mobile devices. Therefore, you are required to mark all sensitive information including but not limited to data, charts, e-mail messages, online messages and documents as: “*For Confidential Internal Use Only.*” If internal distribution of a document is limited, mark it: “*DO NOT FORWARD WITHOUT PERMISSION.*”

### **Connecting to Milestone or Other Networks**

Remote access to Milestone network shall only be from devices approved by the IT Department. All connections from non-Company networks (e.g., home, hotel, or registered firm networks) must be through a virtual private network (VPN) mechanism approved by the IT Department.

Requests for connections between the Milestone network and non-Company networks (e.g., registered firm networks) must be approved by the IT Department which will conduct a thorough security assessment before setting up such a connection.

### **Protection of Credentials**

Users shall not attempt to obtain rights or access privileges other than those specifically defined and approved for them by the IT Department. Users should exercise their best efforts to protect their Company passwords from disclosure and prevent unauthorized access to Company IT Systems. Accounts and passwords are for individual use only.

### **E-mail Etiquette**

Please take care to ensure that your messages are courteous, professional and businesslike. Do not let the seeming informality of e-mail distract you from the fact that you are communicating on behalf of Milestone. The recipients of your e-mails will form their impression of the Company based in part on the tone and quality of your e-mails. Remember, your e-mail messages may be read by someone other than the person(s) you send them to and may someday have to be disclosed to outside parties or a court in connection with litigation.

Always use care in addressing e-mail messages to make sure that messages are not inadvertently sent to outsiders or the wrong person inside the Company. Refrain from routinely forwarding messages containing Company confidential information to multiple parties unless there is a clear business need to do so.

### **Use of Personal Computers and Other Devices**

Employees are not permitted to use their own computers, other systems (e.g., cloud computing) or devices to do Company work or to access, store or transmit data or information that is the property of Milestone or the Client without express written consent of the Company. If you use your own computers or other systems or devices to do Company work or to access, store or transmit data or information that is the property of the Company, you must allow Milestone to inspect, copy and delete such information at any time when requested to do so and, in any case, prior to the termination of your employment.

### **Use of Company Voicemail System**

The voicemail system is the property of Milestone. Although employees are able to use codes to restrict access to the voicemail system, it must be remembered that the Company's employees are only authorized to use the voicemail system for business purposes. Milestone reserves the right to access, review and disclose the contents of employee voicemail messages for any purposes, including to investigate suspected misconduct or violation of Company policies, to disclose any information as necessary to satisfy any law or governmental request, or as necessary to protect Milestone's interests.

The voicemail system is provided by Milestone and employees should use it with the expectation that messages sent on Company business or with the use of Company facilities may be subject to review and disclosure. Milestone may override individual passwords and require employees to disclose passwords to facilitate access to the Company voicemail system.

### **Enforcement**

Appropriate action may be taken against a user if it is found that the user violated this policy. Discipline may range from a written warning placed in an offending employee's personnel record to immediate termination of the employment or other relationship between the user and the Company. Further, if appropriate, a user's privileges regarding and access to Company IT Systems may be revoked or limited without notice at the sole discretion of Milestone.

## **J. Teleworking Policy**

Milestone offers teleworking to eligible staff members who may work remotely for one or more days of the week. Not every position or home working environment lends itself to, or is appropriate for, teleworking. For these reasons, the approval of teleworking requests will be made on an individual case-by-case basis, focusing on the job requirements of a given position, the needs of the organization and the personal circumstances of each employee. Telework requests will not be granted for employees who are not meeting or exceeding job performance expectations, and permission to telework can be rescinded at the sole discretion of the Company. Milestone is not required to make telework available to an employee whose job description or performance does

not warrant it or if the Company determines that the telecommuting arrangement is not currently in the best interests of the organization.

Any equipment and software supplied by the organization is to be used for business purposes only. Milestone will supply the employee with appropriate supplies for successful completion of job responsibilities.

The teleworker agrees to take all necessary and appropriate action to protect the Company items against damage or theft, and to protect all confidential Milestone and Client business information residing on the equipment. Consistent with the organization's expectations on information security for employees working at the office, teleworking employees will be expected to ensure the protection of all Company information accessible from their homes. Steps may include, but are not limited to, logging in through the secure VPN, saving all documents to the Company network for regular backups, regular password maintenance, use of locked cabinets, and any other steps appropriate for the job and the environment. Milestone reserves the right to access the Company communications and documents stored, received, or transmitted on the employee's home computer and electronic communications systems.

Nonexempt employees who receive approval to work from their homes must comply with all record-keeping requirements and must accurately record all working time. They must also take meal and rest periods in accordance with applicable legal requirements and employer policies.

Teleworking is designed to satisfy the core work responsibilities of the particular job and maintain, if not raise, job performance while providing additional flexibility to staff. It is not designed to be a replacement for appropriate dependent care, whether for a spouse, registered domestic partner, child or parent. The presence of such conflicting demands at home will preclude an employee from participating in the teleworking program.

## **K. Social Media**

At Milestone Technologies, Inc., we understand that social media can be a fun and rewarding way to share your life and opinions with family, friends, and co-workers around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist you in making responsible decisions about your use of social media, we have established these guidelines for appropriate use of social media.

This policy applies to all employees who work for Milestone Technologies, Inc.

### **Guidelines**

In the rapidly expanding world of electronic communication, social media can mean many things. Social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity website, web bulletin board or a chat room, whether or not associated or affiliated with Milestone Technologies, Inc., as well as any other form of electronic communication.

The same principles and guidelines found in Company policies and these basic beliefs apply to your activities online. Ultimately, you are solely responsible for what you post online. You may be personally responsible for any litigation that may arise should you make unlawful defamatory, slanderous, or libelous statements against any customer, manager, owner, or employee of Milestone Technologies, Inc. Before creating online content, you may want to consider some of the risks and rewards that are involved.

### **Know and Follow the Rules**

Carefully read, Milestone's Code of Conduct, EEO Statement, and Policy Against Harassment, which are all listed in this Employee Handbook. Ensure your postings are consistent with these policies. Postings that include unlawful discriminatory remarks, harassment (as defined by our EEO policy), and threats of violence or other unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including termination.

### **You Are Encouraged to Show Respect**

Milestone Technologies, Inc. cannot force or mandate respectful and courteous activity by employees on social media during nonworking time. However, everyone should be aware of the negative impact comments of this nature can have on the workplace and relationships with others. In addition, please keep in mind that you may be more likely to resolve work-related disputes by speaking directly with your co-workers or by utilizing our Open Door Policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post complaints or criticism, avoid using statements, photographs, video, or audio that reasonably could be viewed as unlawful, slanderous, threatening, or that might constitute unlawful harassment (as defined by our EEO policies). Examples of such conduct might include defamatory or slanderous posts meant to harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, sex, disability, age, national origin, religion, veteran status, or any other status or class protected by law or company policy.

### **Honesty and Accuracy**

You should understand that honesty and accuracy are important when posting information or news, and that it is good practice to correct a mistake quickly. You may want to be open about any previous posts you have altered. Remember that the Internet archives almost everything; therefore, even deleted postings often can be searched.

### **Posting Information**

When posting information:

- Maintain the confidentiality of company and or client trade secrets and confidential company/client-related commercially-sensitive information (i.e. financial or sales records/reports, marketing or business strategies/plans, product development, customer lists, patents, trademarks, etc.).



- Do not create a link from your blog, website, or other social networking site to Milestone's or a client's website that identifies you as speaking on behalf of Milestone Technologies, Inc., or the Client.
- Never represent yourself as a spokesperson for Milestone Technologies, Inc. If the Milestone or a Client is a subject of the content you are creating, do not represent yourself as speaking on the Company's or Client's behalf.
- Respect copyright, trademark, and similar laws and use such protected information in compliance with applicable legal standards.

### **Using Social Media at Work**

Refrain from using social media while on your work time; unless it is work related as authorized by your manager or consistent with the Milestone's or a /Client's equipment policies.

### **Retaliation Is Prohibited**

Milestone Technologies, Inc. prohibits taking negative action against any employee for reporting a possible deviation from this policy or for cooperating in an investigation. Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including termination.

### **Media Contacts**

Employees should not speak to the media on the Milestone Technologies, Inc.'s behalf without contacting Human Resources or the Marketing Department. All media inquiries for official Company responses should be directed to them.

### **For More Information**

If you have questions or need further guidance, please contact your HR representative.

Nothing in this policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment, or to restrain employees in exercising any other right protected by law. Employees have the right to engage in or refrain from such activities.

### **L. Public Statements**

Employees are instructed NOT to make statements to the media, vendors, customers, or any other source regarding any of Milestone's confidential business information, company service plans and developments, financial results, or business dealing without consent from the company President/CEO, or designee. All media or analyst inquiries regarding publicly disclosed information should be referred to the President/CEO.

## **M. Substance Abuse**

It is Milestone's policy to maintain a drug-free workplace. Drug and alcohol use is highly detrimental to the safety and productivity of employees in the workplace. No employee may be under the influence of any illicit drug or alcohol while in the workplace. Milestone employees are also prohibited from working while impaired by the use of a legal drug whenever such impairment might endanger the safety of an employee or others, or pose a risk to the company property, or substantially interfere with an employee's job performance or company business.

Unlawfully manufacturing, possessing, distributing, dispensing, transferring, purchasing, selling, using or being under the influence of alcoholic beverages or illegal drugs while on Company or Client premises, or while operating any Company vehicle or equipment is strictly prohibited. Being intoxicated by any substance, while performing company business at other locations, is also prohibited.

Violations will lead to disciplinary action, up to and including termination of employment.

This policy will not be construed to prohibit the use of alcohol at social or business functions sponsored by Milestone where alcohol is served or while entertaining clients and prospective clients of the Company. However, employees must remember their obligation to conduct themselves properly at all times while at Company-sponsored functions or while representing the Milestone.

Physician-prescribed medications are permitted, providing they do not adversely affect job performance or the safety of the employee or other individuals in the workplace. Employees are required to notify Human Resources if they are taking any prescription drug that is likely to impair their performance.

Milestone will reasonably accommodate an employee disabled by a drug or alcohol dependency who wishes to voluntarily enter and participate in an alcohol or drug rehabilitation program provided such reasonable accommodation does not create an undue hardship for the Company. The policy of accommodation will not prevent Milestone from disciplining employees for on the job conduct that violates the substance abuse policy.

If an employee believes that he/she has a substance abuse problem and wishes to seek professional help, he/she should contact Human Resources and the Company will attempt to assist the employee in locating drug and alcohol rehabilitation agencies so that the employee may avail him/herself of professional help. For more information on the leave of absence policy, please see the section of this Handbook entitled Alcohol and Drug Rehabilitation Leave.

## **N. Workplace Security and Violence Prevention**

Milestone is committed to providing a workplace that is free from acts of violence or threats of violence. In keeping with this commitment, Milestone has established a policy that provides "zero tolerance" for actual or threatened violence against co-workers, visitors, or any other persons who are either on our premises or have contact with employees in the course of their duties. Security and safety in the workplace is every employee's responsibility.

Compliance with this anti-violence policy is a condition of employment. Due to the importance of this policy, employees who violate any of its terms may be subject to disciplinary action, up to and including immediate termination of employment.

Every verbal or physical threat of violence must be treated seriously and reported immediately to the employee's supervisor and Human Resources. Additionally, employees should alert their supervisors when they become aware of workplace security hazards. When an employee becomes aware of imminent violence, the threat of imminent violence, or actual violence, emergency assistance must be sought immediately. In such situations, the employee should immediately contact law enforcement by dialing 911.

Reports will be investigated, and appropriate corrective action will be taken. This policy prohibits retaliation, harassment or other adverse action because you made a complaint, assisted in an investigation, opposed discrimination or otherwise exercised rights protected by law.

If it is determined that an employee violated this policy by threatening another individual with violence or engaging in violent behavior, the supervisor and Human Resources will determine the appropriate disciplinary action, up to and including immediate termination of employment.

#### **O. Weapons**

Employees are forbidden from carrying and/or possessing weapons of any kind while in the workplace or while performing work duties. Weapons include, but are not limited to, guns, knives with blades over three inches in length, swords, explosives, and any chemical whose purpose is to cause harm to another person.

Regardless of whether an employee possesses a concealed weapons permit or is allowed by law to possess a weapon, weapons are prohibited on any Milestone or Client property, including parking lots, or in any location in which the employee represents Milestone for business purposes. Employees who violate this policy will be subject to disciplinary actions, up to and including termination of employment.

#### **P. Tobacco-Free Workplace**

Our company is committed to the health of our employees and their families. We are equally committed to ensuring that all Milestone employees portray an image that is consistent with this policy. The success of the policy will depend on the thoughtfulness and cooperation of each Milestone employee.

Smoking or other use of tobacco or tobacco-like products (examples include but are not limited to cigarettes, e-cigarettes, cigars, chewing tobacco, snuff, pipes, etc.) during company paid time, or on company/client property at any time, is strictly prohibited. All employees, contractors, vendors and visitors must comply with this policy.

Prohibition includes any and all buildings, owned, leased, rented and areas maintained by Milestone or Milestone's customer; any grounds, parking lots, ramps, and contiguous sidewalks (within 15 feet); and in vehicles owned or leased by Milestone. Use of tobacco or tobacco-like products during company paid time in any vehicle of any employee, contractor, vendor or visitor

when on Milestone property is prohibited. There are no designated smoking areas within any location or on any grounds. Ash receptacles and spittoons are not available on company property. All use of tobacco or tobacco-like products during non-company paid time (e.g. before the work day begins, during non-company paid lunch time or after the work day ends) must be at least 15 feet from any Milestone location. All Milestone employees, while on company paid time and representing the company, shall not use tobacco products.

**Q.     Company Vehicles**

Company owned vehicles are available for company business during the course of employment at Milestone. An employee must be approved by the Company's insurance carrier prior to using the Company vehicle. Employee information (driver's license number, date of birth, etc.) is submitted to the insurance carrier for approval to operate company vehicles. No smoking is permitted in a company vehicle.

**R.     Non-Company Sponsored Activities**

Participation in off-duty recreational, social, or athletic activities, which are organized by Milestone employees but NOT sponsored by the Milestone, is strictly voluntary.

Milestone is NOT liable for benefits under the Workers' Compensation Law of California or any other State that an Employee works in, or any other liabilities, for any injury or damages resulting from such activities.

**S.     Cell Phone/Mobile Device Usage While Driving**

Employees must adhere to all federal, state or local rules and regulations regarding the use of cell phones and mobile devices while driving. If you are not sure whether the use of a cell phone or mobile device while driving is prohibited in a particular area, please check with Human Resources. Employees should not use hand-held cell phones or mobile devices for business or personal purposes while driving. Should an employee need to make a business or personal call while driving, he/she should locate a lawfully designated area to park and make the call or use a hands-free speaking device such as a speakerphone/earpiece. Employees should not text, send or read e-mail or browse the web on their hand-held cell phones or mobile devices while driving.

**T.     Employee Grievances**

In every organization there can be honest differences of opinion about working conditions, discipline, rules, and other employee problems. A grievance is the dissatisfaction an employee feels when the employee believes rightly or wrongly that the employee has not been treated fairly, or that a mistake has been made concerning a term or condition of employment or the administration of a rule or policy.

For problems other than incidents of sexual and other illegal harassment, it is particularly important that employees first discuss any problem relating to their job with their immediate supervisor. This procedure is intended to resolve workplace problems and questions informally and as expeditiously as possible.

If an employee cannot discuss the problem with the assigned supervisor, then the problem should be discussed with Human Resources. The majority of misunderstandings can be resolved at this level. If the employee believes that he/she has not been able to resolve the problem with Human Resources, the employee may initiate a formal grievance to the CEO of the Company. The formal grievance must be made in writing, must summarize the prior proceedings and explain the reason for the formal grievance to the CEO and specify the relief requested or proposed.

State law provides that employees are employed on an at-will basis. Based on the provisions of state law and the Company's policies, employees are free to sever their employment relationship with Milestone at their option at any time, either with or without cause or advance notice. In the same manner, Milestone reserves the right to terminate its employment relationship with any employee at will, either with or without cause or advance notice. Nothing in this grievance procedure is intended to create an express or implied agreement that alters the employment-at-will relationship that exists.

#### **U. Open Door Policy**

Milestone recognizes the importance of effective communications in the course of daily business operations. Milestone proudly maintains an Open Door Policy, and encourages you to discuss any questions, concerns, or complaints about your job or the Company with your supervisor, any manager or Human Resources.

While there is no guarantee that Milestone will make the change you request or suggest, we urge you to voice your opinion regarding improvements of the Company, or its policies and programs.

If you wish to meet with an executive staff member (CEO/President, CFO, VP of Operations etc.), we encourage you to request and schedule an appointment in advance.

#### **Resolving Disagreements**

There is an obligation on the part of the employees to use the Open Door Policy in good faith. Milestone encourages employees to bring problems and complaints to the attention of management:

- First, discuss the problem with your supervisor to try and resolve the problem. Your supervisor should listen to you and make reasonable efforts to solve the problem to your satisfaction.
- If your supervisor is unable to resolve the problem to your satisfaction, the problem may then be presented to each manager in the appropriate line of authority.
- You may engage Human Resources at any time for assistance, counsel, advice, or for resolution of a problem. This approach would be appropriate particularly if the problem involves your supervisor.
- If the situation requires further review to reach a satisfactory solution, the Company CEO, or designee, will review the problem and render a final decision.

The general philosophy at Milestone is to view issues in terms of solutions and to resolve matters fairly and expeditiously.

## **V. Employee References**

All requests for references must be directed to Human Resources. No manager, supervisor or employee is authorized to release references for employment related information on current or former employees. Milestone's policy as to references is to disclose only the dates of former employee's employment and the title of the last position held. If you authorize disclosure in writing, Milestone will provide a financial institution or prospective employer with the information on the amount of salary or wage you last earned.

## **W. Educational Assistance**

Milestone employees who desire to continue their education have the Company's encouragement and support, subject to management's approval if such education does not interfere with an employee's regularly scheduled work day. Milestone does have a program to offer educational assistance under certain conditions. You may contact Human Resources for more information.

Managers may choose to include some training, seminars and courses in their respective budgets. This is done at the sole discretion of the manager with the approval of Human Resources and the CEO.

## **X. Corporate Office Guidelines**

### **Bulletin Board**

Company notices and required state and federal posters are posted on the bulletin board the kitchen area. All notices posted on the bulletin board, or anywhere on company property, must be approved by Human Resources. It is the employee's responsibility to check the bulletin board for information posted regarding company issues.

### **Postings**

Milestone reserves the right to require employees to remove photographs, signs, poster, or any other items which are not conducive to a business environment, or which may be offensive to fellow employees.

### **Décor and Personal Property**

All Milestone facilities are primarily places of business and should reflect that function in their physical appearance. All items of decoration or personal equipment and appliances are subject to review by company management, and MUST be removed if deemed inappropriate. Failure to comply may result in disciplinary action.

Milestone does not take responsibility for personal property that is lost, stolen or damaged while on company premise. Employees are encouraged to secure their personal items to minimize loss.

### **Lost and Found**

Articles lost or found should be reported to Administration. Milestone will not be liable for damage or theft of an employee's personal effects.

### **Visitors**

All visitors are required to register at the reception desk. Each visitor will be issued a "Visitor" badge. You will be notified of your visitor's arrival, and you will be required to greet your visitor in the lobby and escort your visitor to the appropriate location.

Visits of a personal nature should be minimized during work hours because they can be disruptive to employees still working.

Individuals visiting Milestone, for any reason, must be accompanied by Milestone employees at all times.

### **Keys, Passwords and Codes**

Keys issued to employees for the Company property (buildings, desks, vehicles, lockers, equipment, etc.) are to be returned upon request or termination. Lost keys should be reported to the employee's manager, the Administration Department and Human Resources immediately.

All locks used on Company property or equipment will be supplied by Milestone. A duplicate key will be kept in a master file of all issued keys. Employees must sign for receipt of all issued company keys.

Passwords and codes used for access to building, vehicles, equipment and systems will be kept in the employee's confidential personnel file.

### **Use of Telephone and Mail**

The telephones provided throughout Milestone are for business calls. To assure effective telephone communications, employees should always greet callers in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so.

Milestone recognizes that emergencies may arise making it necessary for employees to receive or make telephone calls. All other personal calls should be limited, and should not interfere with scheduled work functions. Milestone retains the right to require reimbursement from employees for telephone charges relating to their personal calls. Personal use of the telephone is not permitted to the extent it interferes with job performance in management's judgment.

Use of the postage meter for personal correspondence is not permitted.

Home addresses, telephones numbers or any other personal information relating to employees, clients or suppliers should not be released to anyone. Requestor should be asked to contact Human Resources or the name and number of the requestor should be taken and relayed to Human Resources.

### **Software**

Milestone complies with copyright laws and ethical business procedures in the obtaining and using of software. Software used by Milestone employees in the performance of their work duties must be owned legally by the Company. Personally owned software may be used if legally obtained and approved by your Department Manager and IT Department. Noncompliance with this policy will result in disciplinary action.

### **Employee Event Celebrations**

Celebrations of special events such as birthdays, marriages, and births are a normal and positive part of the work environment at Milestone. These events normally take the form of potlucks, sharing a cake, etc. and should not exceed the normal one-hour lunch break unless authorized by the department manager.

### **Parking**

Parking for Corporate Milestone employees is available in front, along the sides and behind the office building. There are no assigned parking spaces. “Handicapped” parking spaces are not for open parking. Please do not park in spaces next to neighboring buildings; these do not belong to Milestone.

Milestone is not liable for employees’ vehicles, or property therein, parked in the parking lot or for Milestone property placed within private vehicles. It is prudent to always lock your vehicle and remove property from view.

## **SECTION X. END OF EMPLOYMENT PROCEDURES**

### **A. Termination Procedures**

Milestone operates under the principal of at-will employment. This means that the employee is free to terminate his/her employment with Milestone at any time with or without reason. Likewise, the Milestone has the right to terminate the employee’s employment, with or without reason, at the Company’s sole discretion. While it is not required, we do request that if you elect to resign, you give as much advance notice as possible (preferably at least two weeks) to allow Milestone to plan for your departure. A written letter or resignation should be submitted to your immediate supervisor. In the absence of a written resignation, a verbal resignation given to a supervisor will be noted and filed in your employee file and counted as an official resignation. Once a resignation is submitted, withdrawal of the resignation is permitted at the Milestone’s discretion only.

### **B. Exit Interview**

An exit interview with the terminating employee will be conducted whenever possible. The purposes of the exit interview are to review eligibility for benefit conversion, to ensure that all necessary forms are completed, to collect any Company property that may be in the employee’s possession, to review the Employee’s obligations regarding confidential information. A link to an Exit Interview Survey will also be provided to the employee for the opportunity to anonymously



make any constructive comments and suggestions on improving the working environment with Milestone. Milestone appreciates receiving your candid opinion and feedback of your employment experience with the Company.

**C. Layoff**

Layoff (reduction in the work force, restructuring, or redirection of company focus due to strategic change) may occur when Milestone's reduced workload necessitates a reduction in the number of employees needed to meet the demands of the Company's production or direction. Employees will be notified in advance, as far as possible, of the Company's intention to reduce the work force.

**D. Return of Company Property**

Employees must return all company property to Milestone or the Client to which they are assigned promptly upon termination of employment or on demand. This includes, without limitation, originals and copies of all records, papers, manuals, drawings, and documents which the employee created or received in connection with his/her employment, whether or not such materials contain confidential information, as well as all tangible company property, including, but not limited to, keys and passes, credit cards, employee handbooks, computer hardware and software. It also includes all data stored electronically related to the Company, its business or its customers, including, without limitation all electronically stored confidential information. Employees must, on termination of employment or on demand, permit a representative of the Milestone to access all data stored on any personal computer, laptop, PDA, telephone or other electronic device or storage media that the employee has used in any fashion in connection with work for Milestone and to permanently remove, copy and/or delete any data belonging or related to the Company or its clients.

**E. Final Paycheck**

A final paycheck will be issued, including accrued, unused PTO, in accordance with all applicable State laws and regulations.

**F. Benefits Upon Termination (COBRA)**

In compliance with the federal law, under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985, in the event of your termination of employment with Milestone or loss of eligibility to remain covered under the group health insurance program, you and your eligible dependents may have the right to continued coverage under the Company's health insurance program for a limited period of time.

Under COBRA, health, dental, and vision premiums are payable by the employee or qualifying dependent. Notification will be provided by Human Resources. Company provided voluntary benefits are not convertible under COBRA.

NOTE: The Company paid health, dental, and vision benefits end on the last day of the month in which the employee's official date of termination occurs with Milestone.

APPENDIX:

A.

**Complaint Form for  
Reporting Sexual Harassment**

New York State Labor Law requires all employers to adopt a sexual harassment prevention policy that includes a complaint form to report alleged incidents of sexual harassment.

If you believe that you have been subjected to sexual harassment, you are encouraged to complete this form and submit it to your supervisor, a member of the Human Resources Department, or any other member of management. You will not be retaliated against for filing a complaint.

If you are more comfortable reporting verbally or in another manner, your employer should complete this form, provide you with a copy and follow its sexual harassment prevention policy by investigating the claims as outlined at the end of this form.

For additional resources, visit: [ny.gov/programs/combating-sexual-harassment-workplace](https://ny.gov/programs/combating-sexual-harassment-workplace)

**COMPLAINANT INFORMATION**

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

Work Address: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Job Title: \_\_\_\_\_ Email: \_\_\_\_\_

Select Preferred Communication Method:      ☐ Email   ☐ Phone   ☐ In person

**SUPERVISORY INFORMATION**

Immediate Supervisor's Name: \_\_\_\_\_

Title: \_\_\_\_\_

Work Phone: \_\_\_\_\_ Work Address: \_\_\_\_\_

### COMPLAINT INFORMATION

1. Your complaint of Sexual Harassment is made about:

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

Title: \_\_\_\_\_

Work Address: \_\_\_\_\_ Work Phone: \_\_\_\_\_

Relationship to you: ☐ Supervisor ☐ Subordinate ☐ Co-Worker ☐ Other

2. Please describe what happened and how it is affecting you and your work. Please use additional sheets of paper if necessary and attach any relevant documents or evidence.

3. Date(s) sexual harassment occurred:

Is the sexual harassment continuing? ☐ Yes ☐ No

4. Please list the name and contact information of any witnesses or individuals who may have information related to your complaint:

*The last question is optional but may help the investigation.*

5. Have you previously complained or provided information (verbal or written) about related incidents? If yes, when and to whom did you complain or provide information?

If you have retained legal counsel and would like us to work with them, please provide their contact information.

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

### **Instructions for Employers:**

If you receive a complaint about alleged sexual harassment, follow your sexual harassment prevention policy.

An investigation involves:

- Speaking with the employee
- Speaking with the alleged harasser
- Interviewing witnesses
- Collecting and reviewing any related documents

While the process may vary from case to case, all allegations should be investigated promptly and resolved as quickly as possible. The investigation should be kept confidential to the extent possible.

Document the findings of the investigation and basis for your decision along with any corrective actions taken and notify the employee and the individual(s) against whom the complaint was made. This may be done via email.

## EMPLOYEE HANDBOOK ACKNOWLEDGMENT FORM

I have received a copy of Milestone Technologies, Inc. Policy Manual and acknowledge my obligation to read its contents. I understand that the handbook is intended to provide an overview of the company's policies and procedures and does not necessarily represent all such policies in force. I agree to comply with the guidelines, policies, and procedures of Milestone Technologies, Inc. (aka The Company). If I have any questions, I should contact the Human Resources office.

I acknowledge that my employment with the Company is at will, meaning that it is not for a specified period of time and that the employment relationship may be terminated at any time, for any reason, with or without cause or notice, by me or by the Company. I further acknowledge that only the President of the Company or the President's Authorized Representative has the authority to enter into an agreement that alters the at-will relationship, and then only in writing signed by that individual.

I further acknowledge that the Company reserves the right to revise, delete and add to the provisions of the employee handbook, but that all such revisions, deletions or additions must be in writing. No oral statements or representations can change the provisions of the handbook. Furthermore, the Company's policy of at will employment can only be changed as stated in the prior paragraph.

---

Employee Name

---

Employee Signature

---

Date

Firmwide:133708706.1 080644.1000