



2019 ORGANIZATIONAL GUIDE

As an employee at On-Target Supplies & Logistics, you are an important member of the team. Your employment experience will be a positive one as you take the time to become familiar with the Company policies and your shared responsibility in the Company's commitment to excellence.

This organizational guide does not in any way constitute an agreement between the Company and its employees with respect to level of compensation, duration of employment or any other matter. Under no circumstances should this guide or the Human Resource Policies and Procedures contained herein be considered a contract of employment or a legally binding agreement.

INTRODUCTION

This organizational guide has been developed to provide employees of On-Target Supplies & Logistics, Ltd. ("On-Target"), and all of its affiliate companies, with key policies, procedures and general practices. The policies, listed in this guide are not exhaustive, but are meant to guide and assist employees in understanding their responsibilities as contributing members of the On-Target team.

The provisions of this organizational guide pertain to all employees of the Company and all of its affiliate companies. On-Target reserves the right to amend, change or cancel this organizational guide at any time with or without notice. The provisions of this guide do not constitute a contract of employment nor any other binding agreement or assurance of employment. If policies, procedures and general practices referenced or described in this guide change, the new or revised policies, procedures and general practices supersede the guide.

No employee, officer, agent or other representative of On-Target has authority to enter into any agreement for employment for any specified period of time or to make any agreement or representation, verbally or in writing, which alters, amends or contradicts On-Target's policies.

None of the benefits or policies in this guide are intended by reason of their publication to confer any rights or privileges upon employees, or entitle employees to remain employed by On-Target for any specific length of time.

Pursuant to Texas Law, all employment is terminable at will by the employee or On-Target.



MISSION STATEMENT

On-Target's mission is to develop, grow and expand a company of well-trained, highly motivated, customer-service oriented professionals in a creative and productive environment. On-Target is committed to providing quality products and services in an effective and efficient manner that will completely satisfy our clients. Profitable financial results will be achieved through prudent and practical management. Community awareness, support and enrichment are essential elements of our mission today, tomorrow and in the future.

Our Values Totem

Performance:

Doing what **you** said you will do.

Technology:

Tools made available to assist you in getting your job done.

Client Satisfaction:

Getting the client what they want when they want it.

Communication:

Sender → Receiver → Feedback

Trust:

Built with time and attention to the other four values.



THE ON-TARGET STORY...

STRENGTH...

Founded in 1982, as On-Target Industrial Maintenance and Supply Company, Inc., the company's original strategy was to operate as a custodial service and supply organization. After four years of establishing channels of distribution for its product lines, On-Target phased out janitorial service to focus on the distribution of supplies.

PERFORMANCE...

In 1992, On-Target quadrupled its warehousing capacity by moving from its small suburban location to an inner city business district in South Dallas. The relocation uniquely positioned the company for leadership in urban area minority business development. By 1993, the company had reorganized with four strategic business units and a business services staff to manage the growth and development it was experiencing.

STABILITY...

In 1996, the company's current corporate office and logistics center at 1133 S. Madison Avenue, Dallas, TX. (Madison Central) was purchased and strategically redeveloped to enable the company to compete in the supply chain management and logistics outsourcing industry. The additional facility increased warehousing and office capacity from 40,000 sq. ft. to 100,000 sq. ft.

GROWTH...

On-Target experienced exceptional growth through an expansion of logistical services in the telecommunications sector. During the subsequent economic downturn of 2001-03, On-Target maintained key relationships, restructured management and refined the business strategy in a manner resulting in a company better positioned for recovery as a regional logistics management firm with global customers and international responsibilities.

The business has evolved from one that was firmly managed by a loyal entrepreneurial class of employees to a more professionally managed organization. This development is taking place with the company's mission and values in place. On-Target's central offices are located in southern Dallas with additional logistics operations throughout D/FW, Sherman and Tucson, AZ.



STRATEGY...

The business strategy of providing quality services to major corporations in need of supply chain management and logistical services proved to be effective. We specialize in designing, implementing and managing customized solutions with capabilities that include supply chain management, logistics outsourcing and value-added reselling. In turn, our customers reap the rewards of a competitive edge in the fast-paced global marketplace.

Our strategy for the future is solid. As the company continues to progress as an outsourced supply chain management firm, we see new relationships with great clients in attractive industries like telecommunications, healthcare, utilities, technology and education. Growth of our quality services and evolving business model will allow us to maximize our role in the business world, generate profits and positively impact the communities we serve.

CAMARADERIE...

In 2006, On-Target proudly launched two great new resources dedicated to giving back to the community and improving peoples' lives. The first endeavor is

READYToWork®, a work readiness program that provides a learning experience for people, organizations and communities.

Our second project is **OTSL Charities♥**, On-Target's philanthropic arm. Charities matches the funds donated by employees and allocates them to pre-qualified charitable organizations. **OTSL Charities♥** also provides volunteer opportunities for our employees and customers.



TABLE OF CONTENTS

HUMAN RESOURCES (01)

New Hire Probationary Period (01.01.013116).....	9
Employment Records (01.02.013116)	9
Medical Information Confidentiality (01.03.013116).....	10
Telephone Usage (01.04.013116)	10
Housekeeping (01.05.013116).....	11
Media Relations (01.06.010117).....	11
Communication Media (01.07.013116).....	11
Inclement Weather (01.08.013116).....	11
No Return Policy (01.09.013116).....	12
Military leave (01.10.013116)	12
Equal Employment Opportunity (01.11.013116).....	13
Employee Non-Disclosure (01.12.010117)	13
Grievance Policy (01.13.013116)	14
Dress Code Policy (01.14.013116)	16
Progressive Discipline Policy (01.15.013116)	19
Rehire policy (01.16.013116)	22
Nepotism Policy (01.17.013116)	23
Child labor Policy (01.18.013116)	24
Electronic Communication And Internet Use (01.19.010117).....	24
Cell Phone Policy (01.20.013116).....	28
Social Media Policy (01.21.010117)	30
Training & Development (01.22.013116).....	32
Wearing of Personal Headphones (01.23.013116).....	32
Sexual Harassment Policy (01.24.012517).....	32
Harassment and Disrespect Towards Others Policy (01.25.012517).....	35
Assignment of Duty Statement (01.25.013116).....	37
Employment Classification Policy (01.26.013116)	38
Pay Information (01.27.013116).....	39
Pay Deductions (01.28.013116)	40
Smoking Policy (01.29.013116)	41
Concealed Handgun Policy (01.30.013116).....	41
Drug & Alcohol Free Policy (01.31.013116)	42
Background Check Policy (01.32.013116).....	48
Safe Driving Policy (01.33.013116)	48
Employee Legal Citation, Warrant, Arrests and Convictions Policy (01.34.010117)	51
Telework Program Policy (01.35.010117).....	52
American's with Disabilities Act Policy (01.36.013116)	55



Recording Policy (01.27.011019).....	57
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ENVIRONMENTAL, HEALTH AND SAFETY (02)

Communicable Diseases Policy (02.01.013116)	58
Workers' Compensation & Accident/Injury Reporting (02.02.013116).....	61

EXPENSES (03)

Expense Reimbursement Policy (03.01.013116).....	64
Meals & Entertainment Policy (03.02.013116).....	65
Mileage Reimbursement Policy (03.03.010117).....	67

TIME AND ATTENDANCE (04)

Attendance Policy (04.01.100116).....	71
Family & Medical Leave (04.02.013116).....	73
Paid Time Off (04.03.013116).....	77
Holiday Pay (04.04.013116)	78
Civic Duty Leave (04.05.013116)	79
Limitations on Leave of Absence (04.06.013116)	80
Time Management Policy (04.07.013116)	80

BENEFITS AND INSURANCE (05)

Cobra (05.01.013116).....	81
Health Benefits Eligibility (05.02.013116)	85

ETHICS (06)

Ethics Policy (06.01.010117).....	85
Code of Conduct Policy (06.02.010117).....	87



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HUMAN RESOURCES

NEW HIRE PROBATIONARY PERIOD

All new hires are placed on an initial probationary period of 90 days. During this time, you will be evaluated on job/position fit and overall performance. Remaining employment beyond the initial 90 days does not guarantee future employment. Your employment with On-Target remains at-will pursuant to Texas law.

EMPLOYMENT RECORDS

The Company maintains records relating to your employment in a personnel file that is kept at the corporate office and on the ExponentHR® system. The documents contained within that file are the property of the Company and must be maintained for government and Company recordkeeping purposes.

All files connected with an employee are considered strictly confidential, access will be limited to authorized personnel. Governmental requests for information contained in personnel files will be released as requested by the governmental agency.

If an employee wishes to view the contents of his or her personnel file, the employee should contact Organizational Development in order to schedule a viewing time. You may not take or alter any document found within your personnel file. If you disagree with one of the documents, you may ask the OD Representative for permission to add a memo containing your comments.

Additionally, employee personal information is maintained in the ExponentHR® system and can be accessed by employees via the website. It is the responsibility of each employee to promptly notify Organizational Development of any changes in personal information. Personal information includes, but is not limited to:

- Name
- Address: home address, mailing address, etc.
- Telephone number
- Marital status
- Name of spouse, if applicable
- Emergency contact information
- Educational accomplishment



If any personal information has changed, the employee must provide updated information to Organizational Development via ExponentHR® within 14 days of such change, or as soon as reasonably practical. Failure to do so is in violation of this policy and will be viewed as grounds for disciplinary action, up to and including termination.

At the time of employment separation, employee's access to the system is immediately terminated.

MEDICAL INFORMATION CONFIDENTIALITY

The Company strives to protect the privacy of its employees' medical information to the greatest possible extent. To that end, we provide the following guidelines regarding the confidentiality of medical information:

- Any medical information concerning employees will be maintained in separate, confidential medical files apart from regular employment records. Only authorized employees may have access to such files.
- Employees are hereby notified that your medical information is absolutely confidential under state and federal laws and may not be discussed at any time with any person under any circumstances. Unless there is a need to do so in order to carry out your job duties.
- If you are concerned about a possible medical condition of a coworker, you should report your concern to your direct supervisor or a member of Organizational Development.
- Any employee found to have discussed or released medical information about another employee is in violation of this policy and will be subject to disciplinary action, up to and including immediate termination.

TELEPHONE USAGE

On-Target maintains its telephone facilities for business purposes. It is recognized that some personal telephone calls are necessary. Employees are allowed to make reasonable numbers of personal calls. They should keep these as brief as possible to avoid interfering with their normal work or with business use of the telephones.

No personal long distance calls should be made from company telephones. If a supervisor believes an employee is abusing this privilege, the matter will be addressed under the Progressive Discipline Policy.



HOUSEKEEPING

In the interest of safety, personal well-being and a pleasant working atmosphere, On-Target expects that all employees will keep their work areas clean and neat at all times. Supervisors may assign such clean-up duty as is necessary to meet the intent of this policy.

MEDIA RELATIONS POLICY

It is On-Target's policy that the Executive Team will handle all contacts on behalf of the company, with representatives of press, television or radio media. Employees should not speak to the media on behalf of On-Target. Any media inquiries should be referred to a member of the Executive Team immediately. Any violation of this policy will be viewed as grounds for disciplinary action, up to and including termination.

COMMUNICATION MEDIA

On-Target reserves the right to monitor the electronic mail system, the Internet and to access information when an employee is not available. Employees do not have a personal privacy right in any matter created, received or sent from the Company's electronic mail system.

Further, it is the policy of On-Target to not allow tape recordings of conversations, meetings, training, counseling or other communication sessions without the prior knowledge and approval of all participants. Violations will be considered grounds for immediate termination.

INCLEMENT WEATHER

All employees are expected to make an effort to report to work as scheduled. If an employee is unable to report as scheduled during periods of inclement weather, the appropriate supervisor or designee must be called at least two hours or at the earliest possible time before the scheduled shift is to begin.

Employees on duty at the beginning of inclement weather conditions may be asked to remain on duty beyond normal shift time. If such extended duty is required, non-exempt employees will be credited with all hours worked and all normal pay practices will be in effect.



Non-exempt employees who are unable to report to work during inclement weather and call in prior to the beginning of their shifts may use available paid time off. Otherwise, the time away will be considered unpaid leave. Exempt employees will be required to use available paid time off.

NO-RETURN POLICY

To ensure a safe and productive work environment for employees of On-Target, upon cessation of employment, former employees will not be allowed to visit the workplace without an appointment and prior approval from the Organizational Development Department.

MILITARY LEAVE

The 1994 Uniformed Services Employment and Reemployment Rights Act (USERRA) cover those who serve in the Army, Navy, Air Force, Marines and Coast Guards. The act also covers those who serve in reserve arms of these military branches, along with those who serve in the Army National Guard or Air National Guard. The act applies to those who are on active or inactive duty or training.

The (USERRA) allow those who serve in the military to retain their employment rights for a period of five years while on active duty with some exception. In general, the law allows for the employee to return to his job or a similar position at the same seniority and pay as he had when his military service begin. The employee is also entitled to any retraining necessary to allow him to move back into his job. The employee's military service does not have to be continuous in order to qualify.

The employee's health benefits are continued in full for the first 30 days after the employee leaves for active duty and may be continued for up to 24 months. However, on the 31st day the employee is entitled to continue those benefits at the employee's expense. Also, if the employee will be on active duty for more than 30 days and chooses to stop participation in the employer's medical plan, the employee may re-enroll upon return from duty as if the employee never left.



The employee is entitled to continue to accrue credit towards retirement and other employee benefits accrued with tenure.

Once the military service is done, an employee can return to work in several different ways. If service was for less than 30 days, the employee must return to work the next work day after his release, as long as the employee has had eight hours of rest before resuming the job. For those who serve 31 to 181 days, an application for reemployment must be submitted within 14 days of the end of service. If service was longer than 181 days, then an application must be made within 90 days of the end of service. Also, in order to attain reemployment, separation from active duty must be under honorable conditions.

EQUAL EMPLOYMENT OPPORTUNITY

On-Target is an equal employment opportunity provider. We will not deny equal employment opportunities due to race, color, national origin, religion, sex, age or disability status in any of the following employment aspects:

- Hiring
- Promotion
- Termination
- Pay
- Benefits
- Training
- Any other aspects of employment

We adhere to:

- Title VII of the Civil Rights Act of 1964
- The Americans with Disabilities Act (ADA) of 1990
- The Age Discrimination in Employment Act of 1967
- The Equal Pay Act of 1963
- Texas Commission on Human Rights Act (TCHRA) of 1983

EMPLOYEE NON-DISCLOSURE POLICY

As an employee you may occasionally be in receipt of confidential and proprietary information of On-Target Supplies & Logistics, Ltd. and its affiliate companies. Misuse or unauthorized disclosure of confidential information not otherwise available to persons or firms outside On-Target is cause for disciplinary action, up to and including termination.



Former, current or future confidential and proprietary information included is not limited to the following:

- (a) On-Target's client lists and other client information, financial statements and other financial information, employee lists and all other employee information, and other related client, applicant, financial and employee information;
- (b) Computerized or computer recorded materials, training materials, policy and procedure manuals, video and audio tape recordings of training and operating methods and techniques, source documents, advertising theories, formats for advertisement, special advertising programs, and other business methods and techniques;
- (c) Information, methods, and techniques which are commonly considered confidential in the business;
- (d) All documents, manuals and other tangible things containing, reflecting, embodying or illustrating any of the foregoing, including without limitations, all materials which are marked as "confidential," "secret," "internal," or "proprietary," and such other items which are commonly considered confidential in the business in which On-Target engages.

GRIEVANCE POLICY

Situations may occur where an employee believes that the fair and consistent application of a policy has not been followed. In most cases, On-Target expects that the employee will be able to satisfactorily address such concerns with the direct supervisor. However, when a problem has not been resolved by the supervisor, the Company wishes to provide employees an alternative vehicle for doing so. No employee shall be subjected to discrimination or adverse treatment for participating in a grievance procedure.

Statement of General Principles

- Complaints must be fully described by the person with the grievance
- The person(s) against whom the grievance/complaint is made should be given the full details of the allegation(s) against them
- The person(s) against whom the grievance/complaint is made should have the opportunity and be given a reasonable time to state their side of the story before resolution is attempted
- Proceedings should be conducted honestly, fairly and without bias
- Proceedings should not be unduly delayed



PROCEDURE

The following is On-Target's three level procedures:

Step I - Informal Step: Grievance must be filed within 14 days of the event(s) leading to the grievance. At this step the Employee attempts to resolve the complaint with the direct supervisor or Organizational Development if an employee is reluctant to discuss the matter with the supervisor. The supervisor or an Organizational Development representative should provide a written response.

If the informal procedure fails to resolve the grievance, and the employee wishes to continue the matter, the employee must begin the steps of the formal procedure no later than 14 calendar days after the receipt of the written response.

Step II - Formal Step: The Employee provides a written statement to Organizational Development. The statement should outline the relevant facts that form the basis of the employee's grievance. The statement should identify who was involved in the informal procedure.

Upon receipt of the written statement Organizational Development will advise the department manager of the grievance and determine if the informal process was complied with. If the informal process was not followed the employee will be referred back to Step I.

Organizational Development will schedule a meeting with the employee, supervisor and manager. The employee may invite a fellow employee. However, this effort at resolution is not to be regarded as an adversarial proceeding and is not subject to the legal procedures of the court of law. The presence of legal counsel is not permitted. Note taking is allowed, but tape recording is prohibited. The meeting should be held promptly (within 14 calendar days of receipt of the employee's written statement). After hearing both sides of the dispute, Organizational Development will provide a written decision.

Step III - Appeal: If the employee is unsatisfied with the response from Organizational Development in Step II the employee can proceed to Step III by submitting a written request to Organizational Development for a hearing before an appeal committee. A three-member appeal committee shall hear the grievance and provide a written recommendation to the President of On-Target. Members of the committee will be selected from an appeal panel consisting of members of OTSL's Senior Managers.

The manager and the employee shall each choose three people from the appeal panel. Organizational Development will identify an appeal committee member from the list submitted by the employee, based on the employee's preference and the availability of the



person. The second member will be identified from the list submitted by the manager, based on the manager's preference and the availability of the person. The two committee members will then select a third member for the committee. If the two committee members cannot agree on a third member, both shall number in order of preference their respective choices from all names on the panel. These numbered lists should be given to Organizational Development and the person receiving the lowest sum shall be appointed to the committee as chairperson. Members of the appeal committee shall be impartial and not "representatives" of the party selecting them.

The committee chairperson will designate a date and private place for the hearing to take place. The function of the committee is to determine, based upon the facts, if the Company followed its policy in the manner in which an employee was treated.

The written recommendation of the appeal committee will be reported to the President within 15 working days following the conclusion of the hearing. The appeal committee's recommendation will be consistent with Company policy and will be advisory to the President, whose decision will be final and not subject to review under any other grievance procedure at the Company. Copies of the President's decision will be provided to the employee, the manager and Organizational Development.

Remedies

At each step in the grievance process, the individual representing the Company may suggest a remedy that is consistent with his/her authority. If the Company determines that as a result of failure to follow policy the grieving employee had a financial loss, the Company may provide compensation to the employee for the loss if the employee signs an appropriate release concluding the matter.

DRESS CODE POLICY

This policy is not all-inclusive; management reserves the right to approach any employee who displays an unprofessional appearance or is not attired as explained in this policy. Employees not in compliance with this policy are subject to disciplinary action and may be required to leave work to change clothes. During this time the employee will be required to use PTO.

Assigned Employees

Assigned employees will be required to purchase company shirts in order to ensure consistency in appearance.



Daily Uniform Requirement

Each employee will be expected to wear the following:

- Shoes appropriate for safe maneuvering within the workplace.
- An On-Target logo shirt in the form of a t-shirt, sweatshirt, turtleneck or polo shirt. Shirts should be tucked in completely.
- Pants or shorts; traditional khakis or jeans worn at the waist and belted. A belt should be worn at all times.
- Employees may not wear outerwear that covers the OTSL logo or alter the uniform shirt in any way

Personal Protective Equipment

Personal protective equipment must be worn according to job specification:

- Safety shoes (steel toe)
- Goggles
- Head cover
- Respirators, etc.

Personal Appearance

Employees should not wear any insignia, badges (not required for work purposes) or similar items, which would detract from the dignity of the uniform.

- Female Attire – uniforms must be clean and freshly pressed. Skirt length of any uniform should be no more than 2 inches above the knee. (Hosiery and coordinated socks should match the designated uniform)
- Male Attire – Uniforms must be clean and freshly pressed. Coordinated socks should match the designated uniform.
- Laundering of uniforms is the responsibility of the employee. Uniforms must always look their best and must be replaced when they become worn.

Re-ordering Uniforms & Payment Options

- Extra uniforms, approved accessories, i.e. caps, jackets, etc. may be purchased directly from the company store at 1133 S. Madison Ave. Dallas, Texas 75208 online via the OTSL online store link located on OTSL's Sharepoint site or through your manager.
 - Payment Options
 - Payroll deduction



Non-Assigned Employees

Administrative Staff is allowed to wear business casual attire Monday-Thursday. The company observes Friday as “*Denim Friday*” and administrative staff is allowed to wear denim jeans in lieu of business casual attire.

Business casual attire for males include:

- Pant – including khaki (Denim jeans are not allowed)
- Shirt – oxford or polo (T-Shirts or collarless shirts without a jacket are not allowed)
- Sports jacket
- Appropriate hosiery and shoe

Business casual attire for females include:

- Pant – including khaki (Denim jeans are not allowed)
- A dress (should be no more than 2 inches above the knee)
- Coordinated skirt (should be no more than 2 inches above the knee) with blouse
- Appropriate hosiery (may be worn but is not required) and shoe

Denim Friday:

Appropriate

- T-Shirts (No offensive language, alcohol or drug references)
- Capris (mid-calf length)
- Tennis shoes (solid color of neutral tones and/or colors)
- Denim jeans or khakis (traditional cut) and shirts, dresses and skirts
- Official On-Target uniform (polo/tees with khaki, denim bottoms)

Inappropriate

- Shorts (any length)
- Thong-type sandals (Expressly prohibited for safety purposes)
- Halter tops
- Revealing clothing (Exposed back, anything sheer)
- Sleeveless tops/dresses/shirts (without a coordinating cover)

Summer Dress Code



The summer dress code applies to administrative staff. The company has established a summer dress code starting on Memorial Day and ending on Labor Day. Employees may observe the policy on days they have no in-person client contact.

See Denim Friday section of this policy for appropriate summer attire.

PROGRESSIVE DISCIPLINE (“PD”) POLICY

On-Target’s progressive discipline policy and procedures are designed to provide a structured corrective action process to improve and prevent a recurrence of undesirable employee behavior and performance issues. It has been designed consistent with On-Target organizational values, human resource (HR) best practices and employment laws.

Outlined below are the steps of On-Target’s progressive discipline policy and procedure. On-Target reserves the right to combine or skip steps depending on the facts of each situation and the nature of the offense. The level of disciplinary intervention may also vary. Some of the factors that will be considered are whether the offense is repeated despite coaching, counseling or training, the employee’s work record, and the impact the conduct and performance issues have on the organization.

Procedure

Step 1: Counseling and verbal warning

Step 1 creates an opportunity for the immediate supervisor to schedule a meeting with an employee to bring attention to the existing performance, conduct or attendance issue. The supervisor should discuss with the employee the nature of the problem or the violation of company policies and procedures. The supervisor is expected to clearly describe expectations and steps the employee must take to improve performance or resolve the problem.

The supervisor is required to prepare written documentation of a Step 1 meeting. The employee will be asked to sign this document to demonstrate his or her understanding of the issues and the corrective action.

Step 2: Written warning

Although On-Target hopes that the employee will promptly correct any performance, conduct or attendance issues that were identified in Step 1, On-Target recognizes that this may not always occur. The Step 2 written warning involves more formal documentation of the performance, conduct or attendance issues and consequences.



During Step 2, the immediate supervisor and another member of management will meet with the employee to review any additional incidents or information about the performance, conduct or attendance issues, as well as any prior relevant corrective action plans. Management will outline the consequences for the employee of his or her continued failure to meet performance or conduct expectations.

A warning outlining that the employee may be subject to additional discipline up to and including termination if immediate and sustained corrective action is not taken may also be included in the written warning. The employee will be asked to sign this document to demonstrate his or her understanding of the issues and the corrective action.

Step 3: Suspension and final written warning

There may be performance, conduct or safety incidents so problematic and/or harmful that the most effective action may be the temporary removal of the employee from the workplace. When immediate action is necessary to ensure the safety of the employee or others, the immediate supervisor may suspend the employee pending the results of an investigation.

Suspensions that are recommended as part of the normal progression of this progressive discipline policy and procedure are subject to approval from HR.

Depending on the seriousness of the infraction, the employee may be suspended without pay in full-day increments consistent with federal, state and local wage-and-hour employment laws. Nonexempt/hourly employees may not substitute or use an accrued paid vacation in lieu of the unpaid suspension. Due to Fair Labor Standards Act (FLSA) compliance issues, unpaid suspension of salaried/exempt employees is reserved for serious workplace safety or conduct issues. HR will provide guidance so that the discipline is administered without jeopardizing the FLSA exemption status.

Pay may be restored to the employee if an investigation of the incident or infraction absolves the employee.

Step 4: Recommendation for termination of employment

The last and most serious step in the progressive discipline procedure is a recommendation to terminate employment. Generally, On-Target will try to exercise the progressive nature of this policy by first providing warnings, a final written warning or suspension from the workplace before proceeding to a recommendation to terminate employment. However, On-Target reserves the right to combine and skip steps depending on the circumstances of each situation and the nature of the offense. Furthermore, employees may be terminated without prior notice or disciplinary action.

Management's recommendation to terminate employment must be approved by HR.



Performance and Conduct Issues Not Subject to Progressive Discipline

Behavior that is illegal is not subject to progressive discipline, and such behavior may be reported to local law enforcement authorities.

Similarly, theft, substance abuse, intoxication, fighting and other acts of violence at work are also not subject to progressive discipline and may be grounds for immediate termination.

Frequently Asked Questions about Progressive Discipline (“PD”)

Why does On-Target have a PD Program?

- To deter undesired and unproductive behavior
- To allow positive and productive employees to have a positive and productive work environment

What happens while on PD?

- Ineligible to receive any bonuses that may be paid as part of a formal bonus plan or any other types of bonuses until the first work day of the month following the 90-days disciplinary period.
- Placed in a critical review period for 90 days. The duration of the disciplinary period is ninety (90) days from the last documented offense.
- May not be eligible to participate in special projects until the first work day of the month following the 90-days disciplinary period.

What happens if I am suspended?

- If suspended during a holiday recognized by On-Target, the employee will not be paid for the holiday
- During your suspension, you have no access to On-Target equipment or facilities, either in person or via phone.
- Upon your return, you will be reoriented to On-Target’s mission, values and expectations.
- Upon your return, you will be required to take a drug test if the suspension was related to a drug testing issue.
 - If the drug test is positive or questionable, you will be responsible for the cost of the test and could face termination.

RE-HIRE POLICY



Rehiring a former employee is at the sole discretion of Executive Management. Employees who are involuntary terminated are not eligible for rehire. Employees who were laid off or left the company voluntarily may be eligible for rehire. Each rehire will be considered on a case-by-case basis.

Involuntary Termination

Former employees whose termination reasons involved policy violations, such as drug use, workplace violence, insubordination, discriminatory or harassing behavior, theft or embezzlement and any ethics violations, are not eligible for rehire. If the company receives employment verification requests from prospective employers, the company will not release details about the employee's termination - only that the employee is not eligible for rehire. Any former employee whose personal file indicates "No" for Rehire Permissible is not eligible to be rehired.

Resignation

Provided the former employee resigned on good terms with the organization, had acceptable performance ratings during their employment and is still qualified for an available position, the employee is welcome to reapply. Depending on the employee's past performance record, they may be given consideration above other external candidates who aren't familiar with the organizational processes, culture and structure. But this is also dependent on a case-by-case analysis of the circumstances of the employee's departure and the company's staffing needs.

Special Circumstances

If a former employee was subject to a reduction-in-force decision, layoff or job elimination that resulted in the employee's departure by no fault of their own, they can reapply for their previous position or a new one. Similar to the rehire policy for resignation on good terms, the employee may have an advantage over external candidates who are less experienced or less knowledgeable about the organization and its practices and culture.

Prior Service Credit

A former employee who has been rehired after leaving employment for more than one (1) year is considered a new employee. Benefits may or may not be continued from the point of their last tenure. In effect, the Company is not required to owe any returning employee for previous time earned for vacation, benefits, etc.



Former employees who return to work less than one (1) year after termination and whose previous service was longer than one year may be eligible for prior service credit less any time owed back to the company. This is intended to help employees who have been laid off due to unforeseen Company circumstances. Other circumstances may affect the Company's decision to reinstate prior service credit.

NEPOTISM STATEMENT

On-Target Supplies & Logistics, Ltd. is committed to making employment decisions based on the qualifications and merit of the individual. However, due to potential for perceived or actual conflicts, such as favoritism or personal conflicts from outside the work environment, which can be carried into the daily working relationship, On-Target will not hire relatives of employees. "Relatives" is defined as one of the following: relationships by blood—parent, child, grandparent, grandchild, brother, sister, uncle, aunt, nephew, niece and first cousin; relationships by marriage—husband, wife (as defined by state law), step-parent, step-child, brother-in-law, sister-in-law, father-in-law, mother-in-law, son-in-law, daughter-in-law, half-brother, half-sister, uncle, aunt, nephew, niece, spouse/partner of any of the above and co-habiting couples or significant others; and relationships by adoption or legal guardianship. Any related employees currently employed by On-Target will not be affected by this Anti-Nepotism Statement, instead all the guidelines of On-Target's Anti-Nepotism Policy shall apply.

ANTI-NEPOTISM POLICY

Nepotism is favoring the hiring of a relative or friend over a qualified, but unrelated, individual. It is the policy of On-Target to avoid the hiring, transfer, or promotion of relatives into situations where the possibility of favoritism or conflict of interest might exist. The following is the established policy of this company:

- No spouse of any employed person shall be hired to work in the same area under the same management.
- If two persons should marry while both are employed by this company, they both may continue their employment; provided the husband and wife employed in management positions may not work in a position that audits the other.
- No close relative (husband, wife, son, daughter, mother, father, sister, brother, or in-laws) shall be hired or promoted into a position that would place that person in a supervisory relationship with another close relative. If such a promotion is imminent, then other position shifting must occur in order to permit the change.
- Summer employment and internships are not covered by this policy.



- This policy will be applied in accordance with applicable laws. If you perceive that this policy, as applied, violates any applicable law, it is your obligation to report such perception to the Organizational Development department or an officer of the company.
- Violation of this policy may lead to discipline, up to and including termination.

CHILD LABOR POLICY

On-Target complies with Texas and federal child labor laws. In Texas youth under the age of 18 have work restrictions that are governed by state and federal law. Youth under the age of 14 are prohibited to work except under specific circumstances permitted by state and federal law. Youth ages 14 or 15 are restricted to working during the hours, time of day and in the occupations permitted by state and federal law. Youth ages 16 or 17 are restricted from working in occupations that are not permitted by state and federal law. Contact Organizational Development for further guidance concerning the employment of youth ages 14-17.

ELECTRONIC COMMUNICATION AND INTERNET USE

The purpose of this policy is to maximize the benefits of electronic communication to On-Target and its employees, while protecting On-Target and its employees from liability and performance challenges caused by the improper or unauthorized use of the systems made available to facilitate the business of the company.

As a productivity enhancement tool, On-Target (including all affiliates) provides and encourages the business use of electronic communication (notably the Web, instant messaging, email, text messaging, voice mail, and fax). Electronic communication systems managed by On-Target and all messages generated on or handled by these electronic communication systems including back-up copies are considered to be the property of On-Target. Any attempt to violate, circumvent or ignore this policy could result in disciplinary action, up to and including termination.

On-Target's electronic communication systems must be used solely to facilitate the business of the company. Users are forbidden from using On-Target's electronic communication systems for private business activities, personal use, or amusement/entertainment purposes. Employees are reminded that the use of company resources, including electronic communications, should never create either the appearance or the reality of inappropriate use. Inappropriate use may result in disciplinary action, up to and including termination.



Employees are strictly prohibited from using Company computers, email systems, and Internet access for personal reasons or for any improper purpose. Some specific examples of prohibited uses include, but are not limited to:

- Transmitting, retrieving, downloading, or storing messages or images that are offensive, derogatory, off-color, sexual in content, or otherwise inappropriate in a business environment
- Making threatening or harassing statements to another employee, customer, vendor, or other outside party
- Transmitting, retrieving, downloading, or storing messages or images relating to race, religion, color, sex, national origin, citizenship status, age, handicap, disability, sexual orientation, or any other status protected under federal, state and local laws
- Communicating confidential Company information to individuals inside or outside the Company or to other organizations without specific authorization from management to do so
- Sending or receiving confidential or copyrighted materials without prior authorization
- Soliciting personal business opportunities or personal advertising
- Gambling, monitoring sports scores, or playing electronic games

Where electronic communication systems provide the ability to identify the activities of different users, these facilities must be implemented. For example, email systems must employ personal user IDs and passwords to isolate the communication of different users. Misrepresenting, obscuring, suppressing, or replacing a user's identity on an electronic communication system is forbidden. The user name, email address, organizational affiliation, and related information included with electronic messages or postings must reflect the actual originator of the messages or postings. Violation of this can result in disciplinary action, up to and including termination.

Regardless of the circumstances, individual passwords must never be shared or revealed to anyone else besides the authorized user. To do so exposes the authorized user to responsibility for actions the other party takes with the password. Violation of this could result in disciplinary action towards the authorized user and the person receiving the password, up to and including termination. If users need to share electronic files, they should utilize message forwarding facilities, public directories on local area network



servers, and other authorized information-sharing mechanisms. To prevent unauthorized parties from obtaining access to electronic communication, users must choose passwords which are at least 8 characters long and include uppercase letters, lowercase letters, numbers AND symbols. Users should avoid using dictionary words, personal details, or work activities which might make the password easier to guess.

Employees should expect that all information created, transmitted, downloaded, received or stored in company computers may be accessed by the company at any time, without prior notice. Employees should not assume that they have an expectation of privacy or confidentiality in such messages or information (whether or not such messages or information is password protected) or that deleted messages are necessarily removed from the system.

Employees are reminded that On-Target's electronic communication systems are not encrypted by default. If sensitive information must be sent by electronic communication systems, encryption or similar technologies to protect the data must be employed. Users should have no expectations of privacy using On-Target's systems.

The usage and contents of electronic communication systems may be monitored to support operational, maintenance, auditing, security, and investigative activities. The company reserves the right to disclose any electronic messages to law enforcement officials without prior notice to any employees who may have sent or received such messages. Users should structure their electronic communication in recognition of the fact that On-Target will, from time to time, examine the content of electronic communication. Employees are reminded that all messages are company records. Therefore, On-Target reserves the right to access and disclose all messages sent over its electronic messaging systems. The Information Technology Director, Safety and Security Director, Compliance Officer, General Counsel and Supervisors may review the electronic communication of the employees they supervise to determine whether there have been any breaches of security, violations of company policy or unauthorized actions on the part of the employee.

Employees must not use harassing remarks in electronic messages discussing employees, customers, competitors, or others. Such remarks – even when made in jest – may create legal problems such as trade libel, defamation of character, or harassment/discrimination claims. Special caution is warranted because backup and archival copies of electronic messages may actually be more permanent and more readily accessed than traditional paper communication. Therefore, transmission of obscene or harassing messages to any other individual is strictly prohibited.



Recognizing that some information is intended for specific individuals and may not be appropriate for general distribution, electronic communication users should exercise caution when forwarding messages. On-Target's business secrets or other confidential information must not be improperly forwarded to any party outside On-Target without the prior approval of Management. Blanket forwarding of messages to parties outside On-Target is prohibited unless the prior permission of the Management has been obtained.

Users must promptly report all information security alerts, warnings, suspected vulnerabilities, and the like to the Information Technology Director. Users are prohibited from utilizing On-Target systems to forward such information to other users, whether the other users are internal or external to On-Target.

If an email message contains information relevant to the completion of a business transaction, contains potentially important reference information, or has value as evidence of an On-Target management decision, it should be retained for future reference. Electronic mail messages that do not fall into these categories can be erased after receipt. Electronic mail systems are not intended for the archival storage of important information. Important stored email messages can be periodically expunged by systems administrators, mistakenly erased by users, and otherwise lost when system problems occur.

On-Target's computer and communication systems are not intended to be used to exercise the employees' right to free speech. Sexually explicit words and images, ethnic slurs, racial epithets, religious or political statements, or anything else that may be construed as harassment or disparagement of others based on their race, national origin, sex, sexual orientation, age, religious beliefs, or political beliefs may not be displayed or transmitted. Unwanted internal telephone calls, email, and electronic messages are strictly prohibited and are cause for disciplinary action including termination. Users are encouraged to respond directly to the originator (if internal) of offensive email messages, telephone calls, and other communications. If the originator does not promptly stop sending offensive messages, employees must report the communication to their manager and the Organizational Development Department. On-Target retains the right to remove from its information systems any material it views as offensive or potentially illegal.

Employees working at an On-Target's customer location are also governed by this policy and those policies of the customer. Exceptions to this policy will be made at management's discretion and must be approved in writing.



CELL PHONE USE POLICY

Employees are expected to adhere to the Cell Phone Use Policy and related company policies including the Electronic Communication and Internet Use Policy.

Company Issued Cell Phones

On-Target Supplies & Logistics, Ltd. provides access to cellular telephones to employees who through the nature of their work, are required to be accessible by telephone regardless of the time of day, day of week, or geographical location. Company issued cell phones are available to conduct On-Target business.

As a general rule, employees are discouraged from making or receiving personal telephone calls through On-Target cellular telephones. On-Target recognizes that under certain circumstances, an employee will need to make or receive a telephone call of a personal nature from a business phone. Those calls must be held to a minimum in both time and number.

For corporate employees who, based on the terms of their employment and expectations of their positions, have been issued a company cell phone and provided with the permission to use the phone for personal use, the employee is responsible for contributing toward the monthly fee. Such charges will be automatically deducted from the employee's paycheck on the first payroll of each month.

The Company reserves the right to monitor cell phone usage on Company issued devices. If an employee phone usage exceeds the monthly basic charge, the overage charges will be deducted from the employee's paycheck. Additional charges that the Company may incur for unauthorized uses of the Company cell phones (i.e. 411 calls, adding features, etc.) shall be deducted from the employee's paycheck. Employees, who will be receiving these deductions, will receive notification via email prior to the payroll date.

Employees in possession of Company issued cell phones are expected to protect the equipment from loss, damage, or theft. In the event a phone is lost, stolen or damaged replacement will be at the employee's expense.

Employees must adhere to all federal, state or local rules and regulations regarding the use of cell phones while driving. Accordingly, employees must not use cell phones if law, regulation or other ordinance prohibits such conduct.



Employees should not use hand held cell phones for business purposes while driving. Should an employee need to make a business call while driving, he should locate a lawfully designated area to park and make the call.

Employees may use hands-free cell phones to make business calls, but only in emergency situations. Such calls should be kept short and should the circumstances warrant (e.g., heavy traffic, bad weather), the employee should locate a lawfully designated area to park to continue the call.

Violation of this policy will subject an employee to disciplinary action up to and including immediate termination.

Use of Personal Cell Phones

While at work employees are expected to exercise the same discretion in using personal cell phones as they use with company phones. Excessive personal calls during the workday can interfere with employee productivity and be distracting to others. Employees should restrict personal calls during work time and should use personal cell phones only during scheduled breaks or lunch periods in non-working areas. Other personal calls should be made during non-work time and employees should ensure that their friends and family members are aware of this policy. The company is not liable for the loss of personal cell phones brought into the workplace.

The company prohibits the use of personal cell phones if the operation of such device would be a distraction to the user and/or could create an unsafe work environment.

Employees may not use their personal cell phones or similar devices to receive or place calls, text messages, surf the Internet, receive or respond to e-mail, or check for phone messages while driving if they are in any way performing activities related to their employment. Employees must stop their vehicles in safe locations in order to use cell phones or similar devices.

Violation of this policy will subject an employee to disciplinary action up to and including immediate termination.

Use of Camera Phones

The use of the electronic imaging function of cell phones is strictly prohibited for any purpose but job related activities. Transmission of any Company information, logos, data, and/or photos of the premises or any employees, customers or visitors is strictly forbidden.



Employees may not take photographs or video, whether by camera phone or any other device, in “private” areas, including restrooms. Violation of this policy will subject an employee to disciplinary action up to and including immediate termination.

SOCIAL MEDIA POLICY

This policy provides guidance for employee use of social media which should be broadly understood for purposes of this policy to include blogs, wikis, microblogs, message boards, chat rooms, electronic newsletters, online forums, social networking sites, and other sites and services that permit users to share information with others in an electronic manner.

The following guidelines apply to professional use of social media on behalf of On-Target as well as personal use of social media when referencing On-Target, its customers or its employees.

- In addition to this policy, employees should adhere to the Code of Conduct, Ethics and Electronic Communication and Internet Use Policies when using social media on behalf of, or in reference to, On-Target.
- Employees should be mindful of the effect their actions may have on their images as well as On-Target’s image. The information that employees post or publish will be public information for a substantial period of time.
- Employees should be aware that On-Target may observe content and information made publicly available by employees through social media. Private posts made by employees are protected from company review, however, if a private post becomes public (i.e. shared by friends of the employee) then those posts become subject to On-Target scrutiny. Employees should use their best judgment in posting material. Material should neither be inappropriate nor harmful to On-Target, its employees or its customers.
- Although not an exclusive list, some specific examples of inappropriate social media conduct include posting commentary, content or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment.



- Employees are not to publish, post or release any information that is considered confidential or not public. If there are questions about what is considered confidential, employees should check with the Organizational Development Department or their supervisor.
- Social media networks, blogs and other types of online content sometimes generate press and media attention or legal questions. Employees should refer these inquiries to On-Target's Organizational Development Department.
- If employees encounter a situation while using social media, in the scope of work for On-Target, that threatens to become antagonistic, employees should disengage from the dialogue in a polite manner and seek the advice of a supervisor.
- Employees should avoid using photographs, video or audio of current or former employees, vendors or suppliers that can reasonably be considered malicious, obscene, threatening or intimidating.
- While using social media in the scope of work for On-Target employees should get appropriate permission to use a third party's copyrights, copyrighted material, trademarks, service marks or other intellectual property.
- Social media use should not interfere with an employee's responsibilities at On-Target. On-Target's computer systems are to be used for business purposes only. When using On-Target's computer systems, use of social media for business purposes is allowed (e.g. Facebook, Twitter, Company related blogs and LinkedIn), but personal use of social media networks or personal blogging of online content is discouraged and could result in disciplinary action including possible termination.
- Subject to applicable law, after-hours online activity that violates On-Target's Code of Conduct or any other company policy may subject an employee to disciplinary action including possible termination.
- Never represent yourself as a spokesperson for On-Target. If On-Target is a subject of the content you are creating, be clear and open about the fact that you are an employee and not speaking on behalf of On-Target.



- It is highly recommended that employees keep On-Target related social media accounts separate from personal accounts.
- Do not use On-Target's or customer-assigned email addresses to register on social networks, blogs or other online tools utilized for personal use.

TRAINING & DEVELOPMENT POLICY

On-Target is committed to developing a well-trained workforce that is capable of meeting and exceeding the needs of our clients. In order to achieve this objective, employees may receive internal, on-the-job and external training.

- **READYToWORK®** in collaboration with Organizational Development is responsible for identifying training and awareness needs for company-wide programs.
- Departmental managers are responsible for identifying training needs and establishing departmental training programs. Each department is responsible for providing necessary training to ensure that its employees are skilled and ready to perform their functions.

WEARING OF PERSONAL HEADPHONES

When in use, personal headphones can potentially block out surrounding noises and as such may inhibit the hearing of sirens, horns, bells, alarms or other emergency signals. Additionally, wearing personal headphones can interfere with the delivery of customer service. Therefore, because of the potential hazard and safety risk involved while operating On-Target vehicles or equipment and the negative impact on customer service, all employees are prohibited from wearing personal headphones or any other personal device which impairs hearing while on duty. The restriction does not apply to equipment issued to employees to protect their hearing or which is otherwise necessary to perform their job duties.

SEXUAL HARASSMENT POLICY

It is the goal of the Company to promote a workplace that is free of sexual harassment. This policy applies to all employees at all levels of this organization. Sexual harassment of employees occurring in the workplace or in other settings in which employees may find themselves in connection with their employment is unlawful and will not be tolerated by this organization. Further, any retaliation against an individual who has filed a sexual



harassment complaint is similarly unlawful and will not be tolerated. To achieve this organization's goal of providing a workplace free from sexual harassment, this organization will not tolerate the conduct that is described in this policy, and has provided a procedure by which inappropriate conduct will be dealt with, if encountered by employees.

Because the Company takes allegations of sexual harassment seriously, we will respond promptly to complaints of sexual harassment and where it is determined that such inappropriate conduct has occurred, we will act promptly to eliminate the conduct and impose such corrective action as is necessary, including disciplinary action where appropriate. Please note that while this policy sets forth our goals of promoting a workplace that is free of sexual harassment, the policy is not designed or intended to limit our authority to discipline or take remedial action for workplace conduct which we deem unacceptable, regardless of whether that conduct satisfies the definition of sexual harassment.

Legal Definition of Sexual Harassment

"Sexual Harassment" means any unwelcome sexual advances, requests for sexual favors, and/or verbal or physical conduct of a sexual nature when:

- (a) submission to or rejection of such advances, requests or conduct is made either explicitly or implicitly a term or condition of employment or as a basis for employment decisions; or
- (b) such advances, requests or conduct have the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or sexually offensive work environment.

Examples of Sexual Harassment

The legal definition of sexual harassment is broad and in addition to the above examples, other sexually oriented conduct, whether it is intended or not, that is unwelcome and has the effect of creating a work environment that is hostile, offensive, intimidating, or humiliating to male or female workers may also constitute sexual harassment.

While it is not possible to list all those additional circumstances that may constitute sexual harassment, the following are some examples of conduct which if unwelcome, may constitute sexual harassment depending upon the totality of the circumstances including the severity of the conduct and its pervasiveness:



- Direct or implied requests by a manager or supervisor, whether male or female, or sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits;
- Sexual advances – whether they involve physical touching or not;
- Sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess;
- Displaying sexually suggestive objects, pictures, cartoons;
- Leering, whistling, brushing against the body, sexual gestures, suggestive or insulting comments;
- Inquiries into one's sexual experiences; and
- Discussion of one's sexual activities.

All employees should take special note that, as stated above, retaliation against an individual who has complained about sexual harassment, and retaliation against individuals for cooperating with an investigation of a sexual harassment complaint is unlawful and will not be tolerated by this organization.

Complaints of Sexual Harassment

If any of our employees believes that he or she has been subjected to sexual harassment, whether by a manager, a supervisor, a co-worker, or any other person in the work environment, that employee has the right to file a complaint with our organization. This may be done in writing or orally. If you would like to file a complaint you may do so by contacting the Company's Senior Vice President of Compliance.

Sexual Harassment Investigation

When we receive the complaint we will promptly investigate the allegation in a fair and expeditious manner. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. We will strive to release information arising out of a complaint or investigation only on a need-to-know basis. Employees should be aware, however, that information must be shared for an effective investigation to be conducted.

Our investigation will include (but it is not necessarily limited to) a private interview with the person filing the complaint and with witnesses. We will also interview the person alleged to have committed sexual harassment. When we have completed our investigation, we will,



to the extent appropriate inform the person filing the complaint and the person alleged to have committed the conduct of the results of that investigation.

If it is determined that inappropriate conduct has occurred, we will act promptly to eliminate the offending conduct, and where it is appropriate we will also impose disciplinary action.

Disciplinary Action

If it is determined that inappropriate conduct has been committed by one of our employees, we will take such action as is appropriate under the circumstances.

Such action may range from counseling to termination from employment, and may include such other forms of disciplinary action, as we deem appropriate under the circumstances.

HARASSMENT AND DISRESPECT TOWARDS OTHERS POLICY

To promote equal employment opportunity for all employees, On-Target strives to maintain an atmosphere of mutual respect and understanding in the workplace. Toward that end, On-Target considers the use of demeaning, belittling, humiliating, insulting, or other forms of disrespectful language toward or about yourself or others to be unacceptable. One or more of the following tests may be useful in determining whether particular terms are unacceptable under this policy:

1. Whether you would feel discriminated against or insulted if someone else who is different from you were to use that term when referring to you or speaking to you about someone else;
2. Whether referring to yourself or another person in such a way would tend to segregate yourself or others on a minority basis;
3. Whether such terminology tends to perpetuate racial, ethnic, gender, or other minority stereotypes; and
4. Whether such terms would make a normal person feel belittled, humiliated, or picked on.

While the context of such statements can be important in judging whether the statements violate this policy, in general, On-Target will consider any such language unacceptable and will follow up on any complaints it receives.



Examples of Harassment

The following examples illustrate what is unacceptable under this policy (the list is not exhaustive and is only a general guide):

- Slurs and other disrespectful terms relating to a person's race, color, religion, age, national origin, citizenship status, gender, sexual orientation, gender identity or expression, genetic information, or disability
- Excessive or habitual use of terms relating to a person's characteristics, if a reasonable person would feel excluded, belittled, or singled out for unwanted attention through such language
- Referring to people in terms of their assumed nationalities
- Words relating to gender stereotypes
- Profane or obscene references to yourself or others

It is no excuse that you apply an unacceptable term to yourself. Such terms inevitably disturb others, even if they do not say so out loud. Further, they perpetuate unfavorable stereotypes and foster a hostile work environment. While we are all different, and appreciate everything that makes us unique individuals, there is no need to dwell upon those differences to the point where we become preoccupied with ourselves and what separates us from one another. We are all employees here, we are team members, and we are united in working to give our customers the best possible value and experience with our company.

In sum, using unacceptable language in the workplace calls into question the speaker's maturity, judgment, and suitability as a team member. Such language will not be tolerated. Depending upon the severity and repeat nature of a particular offense, a violation of this policy will result in appropriate corrective action, up to and potentially including termination of employment, as set forth below. On-Target hopes that no such action will be necessary, but will act where action is needed.

Complaints of Harassment

If any of our employees believes that he or she has been subjected to workplace harassment, whether by a manager, a supervisor, a co-worker, or any other person in the work environment, that employee has the right to file a complaint with our organization. This may be done in writing or orally. If you would like to file a complaint you may do so by contacting the Company's Senior Vice President of Compliance.



Harassment Investigation

When we receive the complaint we will promptly investigate the allegation in a fair and expeditious manner. The investigation will be conducted in such a way as to maintain confidentiality to the extent practicable under the circumstances. We will strive to release information arising out of a complaint or investigation only on a need-to-know basis. Employees should be aware, however, that information must be shared for an effective investigation to be conducted.

Our investigation will include (but it is not necessarily limited to) a private interview with the person filing the complaint and with witnesses. We will also interview the person alleged to have committed harassment. When we have completed our investigation, we will, to the extent appropriate inform the person filing the complaint and the person alleged to have committed the conduct of the results of that investigation.

If it is determined that inappropriate conduct has occurred, we will act promptly to eliminate the offending conduct, and where it is appropriate we will also impose disciplinary action.

Disciplinary Action

If it is determined that inappropriate conduct has been committed by one of our employees, we will take such action as is appropriate under the circumstances.

Such action may range from counseling to termination from employment, and may include such other forms of disciplinary action, as we deem appropriate under the circumstances.

ASSIGNMENT OF DUTY POLICY

The assigning of essential duties to employees is the responsibility of supervisory personnel, department managers and team leaders. Suggestions for improvements in work procedures are encouraged and should be made to the employee's immediate supervisor or department manager. Managers should try to inform affected employees before changing the work schedule. Management reserves the right to change an employee's workweek schedule to meet the needs of the operation.



EMPLOYMENT CLASSIFICATION POLICY

Non-Exempt Employees and Overtime Pay - If you classify as a non-exempt employee under the Fair Labor Standards Act, you are eligible for overtime pay at the rate of one and a half (1 ½) times your normal hourly rate for hours actually worked over 40 hours in a workweek. PTO days and Company paid holidays will not be used in the computation of overtime. Employees asked to work on Company paid holidays may be paid one and a half (1 ½) times pay. Your supervisor must approve all overtime before any overtime can be worked. Failure to obtain your supervisor's approval before working overtime hours may be grounds for discipline up to and including termination.

Non-exempt employees are not eligible for compensatory "*comp*" time in lieu of overtime pay. Non-exempt employees may not volunteer their time. Time that an employee is required to be at work or allowed to work is considered hours worked. An employee hired to do nothing but wait for something to do or something to happen is still working. In the case of a non-exempt employee that time must be paid one and a half (1 ½) times pay if hours worked exceeds 40 hours in a workweek.

Exempt Employees – If your position is classified as an exempt employee you are considered a "salaried employee" and are exempt from overtime pay.

Employment Status - In an effort to meet the demands of our clients and remain flexible, On-Target employs individuals in various capacities:

- Full Time Regular - an employee scheduled to work 40 or more hours per week on a consistent basis.
- Part Time Regular - an employee scheduled to work 30 hours or less per week on a consistent basis.
- Full Time Temporary - an employee scheduled to work 40 hours or more hours per week for a limited duration of time.
- Part Time Temporary - an employee scheduled to work 30 hours or less per week for a limited duration of time.



PAY INFORMATION

Pay Schedule

Employees are paid weekly, on Friday; semi-monthly on the 1st and 15th; or monthly on the 1st.

Pay Group	Work Week
Weekly	Sunday - Saturday
Semi-Monthly	Sunday - Saturday
Monthly	Monday - Sunday

Direct Deposit

In an effort to make the payroll process as efficient as possible and at the same time offer our employees immediate access to their pay, On-Target is switching from issuing payroll checks to employees and instead will deposit their wages directly to the employees bank account or to a debit card. You have a choice in determining the bank or debit card used for direct deposit and in approving this process you will provide the applicable routing and account numbers.

Reporting Lost or Stolen Checks

In the event a paper check is required your check will be mailed via regular mail to your home address of record one/two days before pay day. Checks distributed via regular mail cannot be reported as lost or stolen until the actual pay date has passed; and two mail processing days following the pay date has elapsed. If you do not receive your pay check via mail on the designated date, contact Organizational Development. Organizational Development will submit a stop payment request to the Finance and Accounting Department. Upon receipt of the notice that the stop payment has been put into effect by the banking entity a replacement check will be issued and mailed to your home address. If a check has to be replaced for any reason, you will be assessed a stop payment fee of \$35.00. The stop payment fee will be deducted from your next regular pay check.

Pay Adjustments

Any adjustments to payroll after the pay period has been closed, i.e. overtime, deductions changes, etc., will appear on the next paycheck issued in accordance with the current payroll schedule. If the amount of the adjustment is more than 20% of the employee's regular pay period income, then a separate check may be issued.



PAY DEDUCTIONS

On-Target Supplies & Logistics, Ltd., may deduct money from an employee's pay from time to time for reasons that fall into the following categories:

1. Taxes required by law;
2. Employee's share of the premiums for the Company's group medical/dental plan;
3. Any contributions employee may make into a retirement or pension plan sponsored, controlled, or managed by the Company;
4. Wage advances given to employee by the Company, and if there is a balance remaining when employee leaves the Company, the balance of such advances;
5. If employee receives an overpayment of wages for any reason, repayment to the Company of such overpayments (the deduction for such a repayment will equal the entire amount of the overpayment, unless the Company and employee agrees in writing to a series of smaller deductions in specified amounts);
6. The cost to the Company of personal long-distance calls employee may make, or messages employee may send, using Company phones (land lines or cell phones) or Company accounts, of personal faxes sent by employee using Company equipment or Company accounts, or of non-work related access to the Internet or other computer networks by employee using Company equipment or Company accounts;
7. The cost of repairing or replacing any Company supplies, materials, equipment, money, or other property that employee may damage (other than normal wear and tear), lose, fail to return, or take without appropriate authorization from the Company during employee's employment;
8. The cost of Company uniforms;
9. Administrative fees in connection with court-ordered garnishments or legally-required wage attachments of employee's pay, limited in extent to the amount or amounts allowed under applicable laws;
10. If employee takes paid vacation or sick leave in advance of the date employee would normally be entitled to it and employee separates from the Company before accruing time to cover such advance leave, the value of such leave taken in advance that is not so covered;
11. The value of any time off for absences to which paid leave is not applied as allowed by law; and
12. If Company pays any insurance premiums or retirement system contributions ("payments") on employee's behalf that employee would normally make under the



applicable Company benefit plan, the amount of such payments made by the Company, such payments being an advance of future wages payable to employee.

NON-SMOKING POLICY

On-Target is a smoke-free environment which also includes chewing tobacco and smoking e-cigarettes. Smoking or chewing tobacco while at work is prohibited. Smoking has been limited to a designated area located outside of the building. Smoking is not allowed in any company vehicle. Employees assigned to work at a customer's location must adhere to this policy as well as the customer's policy. Managers and supervisors will be responsible for enforcement of this policy. Employees who repeatedly fail or refuse to comply with this policy will be disciplined up to and including termination.

CONCEALED AND/OR OPEN CARRY FIREARM POLICY

The "Concealed Handgun Law" and the "Open Carry Law" address an employer's right to prohibit the carrying of a concealed and/or openly carried firearm on property owned or controlled by the employer. All employees, with the exception of the Safety & Security Team, at On-Target are prohibited from carrying or possessing a firearm or other weapon while on the Company premises or any premise directly owned or operated by the Company, while operating company vehicles or while acting in the course of Company business. Likewise, any and all third parties including, but not limited to, customers, guests, and vendors (but with the exception of public law enforcement officers) are prohibited from carrying or possessing a firearm or other weapon while on the Company premises or any premise directly owned or operated by the Company.

For those Company employees working at a customer location, with regard to any concealed and/or open carry firearm, such employees shall at all pertinent times abide by, and adhere to, the customer's specific firearm policy and/or the On-Target policy set forth herein, whichever is more restrictive.

If Safety and Security personnel reasonably suspects that you may be in possession of a concealed firearm, On-Target reserves the right to conduct random searches, pursuant to applicable law, on all company premises and contents therein, including but not limited to desks, lockers, and handbags. Search provisions also include employee vehicles parked on the company's parking lot or a remote parking lot of the Company's customer where the employee performs their work. Nothing contained in this policy shall prevent employees with concealed handgun licenses (CHL) to store their firearms in their privately-owned



vehicles parked in On-Target's parking lot. Employees assigned to work at a customer location must also adhere to the customer's policy.

All employees are required to notify the Company's Senior Vice President of Compliance of any criminal convictions involving use of a deadly weapon including firearms, etc. within thirty (30) days of the action. Failure to notify the Company's Senior Vice President of Compliance may result in progressive discipline up to and including termination.

DRUG & ALCOHOL FREE POLICY

Compliance with the Drug and Alcohol Free Workplace Policy is a condition of employment for all On-Target employees, regardless of their position in On-Target.

On-Target is committed to prohibiting the alcohol or drug (intoxicant) use which endangers the health and well-being of its employees, endangers the lives of the public on the highways, or threatens its business.

On-Target believes that the use of illegal drugs and abuse of other controlled substances, on or off the job, is not consistent with the law. When employees use illegal drugs or abuse other controlled substances or alcohol (intoxicants), they endanger public safety, are less productive, accident prone and less likely to be a reliable employee that is fit for work. This results in increased liability to On-Target.

Employees have a basic right to have their workplace free of drugs and alcohol (intoxicants), and to be able to rely on the fact that drugs and alcohol (intoxicants) do not impair coworkers. In the interest of maintaining a safe workplace free of drugs and alcohol (intoxicants) abuse, On-Target is committed to strictly enforcing its drug and alcohol policy and to comply with the requirements of the Drug Free Workplace Act of 1988 and the Department of Transportation Regulations.

Authorized Use of Prescribed Medicine

When employees are taking a medically prescribed drug that can alter behavior, physical ability or mental functions, they must report the use of this drug to the Organizational Development Department or a supervisor, which will determine whether temporary job re-assignment or medical leave is warranted until the treatment is finished. Employees must keep all prescribed medications in the original container, which identifies the drug, dosage, date of prescription and prescribing physician.



Company Contractor and Subcontractor Relationships

The On-Target Drug Free Workplace Policy applies equally to all contractors and subcontractors while they are working at an On-Target facility. As well as, conducting company business or representing On-Target for any reason.

The contractor or subcontractor must be in compliance with the regulations as mandated by the Drug Free Workplace Act of 1988, Department of Transportation, Federal Highway Administration and State Regulatory Agencies. It is the total responsibility of the contractor or subcontractor to assure On-Target that their company is in full compliance with regard to these regulations.

The contractor or subcontractor will provide a copy of their company's Drug Free Workplace Policy to be maintained on file with On-Target.

During an accident investigation or Department of Transportation audit, the contractor or subcontractor must permit representatives of On-Target, Department of Transportation, Federal Highway Administration, State Agencies and any other authorized agency representative with jurisdiction to have access to any records, files, statistics, or any other data deemed necessary to verify the contractor's or subcontractor's compliance with Department of Transportation regulations.

Arrest or Conviction under Criminal Drug Statute

Employees must notify, in writing, the Sr. Vice President/Compliance Officer within five days of any arrest or conviction on a criminal drug statute.

Policy Violations

On-Target specifically prohibits and will discipline an employee up to and including termination for any of the following:

1. Use, possession, manufacture, distribution, dispensation or sale of: (A) illegal drugs or drug paraphernalia, (B) unauthorized controlled substances, (C) alcohol or (D) intoxicants on On-Target premises and that of its customers, in On-Target supplied vehicles, or during working hours;
2. Storing in a locker, desk, personal vehicle, company vehicle or other repository on On-Target premises or that of its customers any illegal drug (intoxicant), drug paraphernalia, controlled substance whose use is unauthorized, or any alcohol;



3. Being under the influence of an unauthorized controlled substance, illegal drug or alcohol (intoxicant) on On-Target premises or that of its customers; while operating an On-Target vehicle or equipment assigned to perform a job function. The term “being under the influence” of alcohol is defined as a blood alcohol level of .04. The definition of “being under the influence” of unauthorized controlled substances or illegal drugs is testing positive at a specified ng/ml level;
4. Use of unauthorized controlled substance, illegal drug or alcohol (intoxicant) on or off On-Target property that adversely affects the employee’s work performance, his/her own or other’s safety at work, or On-Target’s reputation in the community;
5. Possession, use, manufacture, distribution, dispensation or sale of illegal drugs (intoxicants) on or off On-Target property that adversely affects the employee’s work performance, his/her own or others’ safety at work or On-Target’s reputation in the community;
6. Switching or adulterating any urine sample submitted for drug or alcohol testing. Samples which are detected by the lab to contain an adulterating substance will be treated as a positive drug test;
7. Refusing to consent to testing or to submit a breath, saliva, or urine sample for testing when requested by management;
8. Conviction under any criminal drug statute;
9. Arrest under any criminal drug statute under circumstances which adversely effects On-Target’s reputation in the community;
10. Failure to notify On-Target of any arrest or conviction under any criminal drug statute within five days of the arrest or conviction;
11. Failure to report prescribed medication that can alter behavior, physical ability or mental functions;
12. Refusing to sign a statement to comply with On-Target’s drug and alcohol abuse policy;
13. Refusing to complete a medical questionnaire or consent form prior to testing;
14. Refusing to complete the toxicology chain of custody form after submission of a urine specimen; and



15. Failure of a drug or alcohol test.

Drugs or Alcohol (Intoxicant) Testing Pre-Employment

1. Applicants will be required to complete the Applicant's Certification and Agreement form as a part of routine application process.
2. Only applicants which receive a job offer will be tested for drugs or alcohol (intoxicants).
3. Positive test results indicating presence of drugs or alcohol (intoxicants) without adequate explanation will result in the termination of the applicant's candidacy. The applicant will not be eligible to be reconsidered for employment for one (1) year period.
4. Applicants who test positive for a second time need not apply for employment at any On-Target facility.

Reasonable Cause

When there is reasonable cause to suspect that an employee's on-the-job performance is being adversely affected in any way by drugs or alcohol (intoxicants), or that an employee has otherwise violated this policy, the employee will be tested.

A supervisor must observe the employee's behavior prior to requesting the employee be tested based on reasonable cause. The employee will be required to submit a breath, saliva, and/or urine sample for testing. The employee will be in violation of this policy if he/she tests positive for drugs or alcohol (intoxicants) during this testing.

Universal and Random Testing

On-Target reserves the right to require any employee to submit to and cooperate with a drug test at any time, without prior notice, as a condition of continued employment. The employee will be required to submit a breath, saliva, and/or urine sample for testing. On-Target's request for an employee's submission to such testing may be based on a universal approach (e.g., all employees at a particular location), or a random selection method.

Physicals

Whenever On-Target requires a standard physical examination, that examination will include a breath, saliva, and/or urine test for drugs and alcohol (intoxicants). A positive test for drugs or alcohol (intoxicants) during this testing will be a violation of this policy.



Post - Accident

Whenever one or more employees are involved in or contribute to an accident involving a fatality, bodily injury that requires a doctor's care, or property damage, On-Target will require each employee to submit a breath, saliva, and/or urine specimen for alcohol and drug testing not to exceed twelve (12) hours from the time of the accident. The employee will be in violation of this policy if tests for drugs or alcohol (intoxicants) are positive.

Inspections and Searches

On-Target reserves the right to conduct searches and inspections of employee's personal effects, lockers, purses, desks, or other containers located on On-Target premises and/or work sites, which includes personal vehicles in On-Target parking lots and/or work sites and On-Target vehicles wherever located. Entry onto On-Target's premises or work sites constitutes consent to such searches or inspections under this policy to determine whether any employee is in possession of or possibly under the influence of drugs or controlled substances. Searches or inspections may be conducted at the discretion of On-Target from time to time without prior announcement. When appropriate, items discovered as a result of On-Target's searches or inspections will be taken into custody and may be turned over to the proper law enforcement authorities. Employees are required to submit to such procedures, upon request, as a condition of continued employment.

Consent Form

The employee will complete a consent form each time a drug and/or alcohol test is required. The refusal to do so will be considered a violation of On-Target's policy, and the employee will be terminated.

Collection

All applicant and employee specimens will be collected by trained collectors in a controlled atmosphere pursuant to the HHS urine specimen collection procedures.

Chain of Custody and Confirmation

All applicant and employee specimens will be handled with complete chain of custody procedures. Positives will be confirmed with Gas Chromatograph Mass Spectrometry.

Laboratory

All applicant and employee specimens will be tested by an HHS (N.I.D.A., now SAMSHA) certified laboratory.



Cut Off Levels Testing Methodology

All applicant and employee specimens will be tested by the procedures for the drugs and cut off levels listed below.

Drug Groups	Drugs Emit Screen	GC/MS Confirm
Amphetamines*	1000 ng/ml	500 ng/ml
Barbiturates*	300 ng/ml	200 ng/ml
Benzodiazepines	300 ng/ml	200 ng/ml
Cannabinoids	50 ng/ml	15 ng/ml
Cocaine Metabolite	300 ng/ml	150 ng/ml
Methadone	300 ng/ml	200 ng/ml
Opiates*	2000 ng/ml	2000 ng/ml
Phencyclidine	25 ng/ml	25 ng/ml
Propoxyphene	300 ng/ml	300 ng/ml
Ecstasy	500 ng/ml	250 ng/ml

*Required testing drug groups for all Department of Transportation qualified employees.

Alcohol

All required alcohol tests will be screened using either a saliva alcohol test or breathalyzer. Confirmatory testing will be blood alcohol testing performed by GC methodology. The cut off level of alcohol is at four percent (.04) of blood alcohol content.

The OTSL Random Drug & Alcohol Screening Process:

1. The Direct Supervisor and employee receive email notification on date of drug screening. This receipt is noted via email by accepting the invitation. Failure to respond will result in a follow up call with the Direct Supervisor.
2. The email will include the address of the nearest Concentra drug screening location and drug screening authorization form.
3. Direct Supervisor confers with Employee regarding the appropriate time for reporting for screening. If the employee is not present at the site, the Direct Supervisor will provide this information to OD on the same day.
4. Employee takes the emailed form to the drug screening location prior to close of business and submits sample.
5. OD calls the site within 24 hours for results.
6. OD provides Direct Supervisor with results of the screening.



7. Direct Supervisor confers with employee.
8. If the screening produces a positive result, employee must either provide information regarding prescribed medications or appropriate progressive discipline actions will be taken.
9. Direct Supervisor provides OD with information regarding follow up conference with employee.

Positive Test Results

Testing positive for alcohol (intoxicants) or drugs will result in disciplinary actions up to and including termination. In the event of a positive test result the employee will be responsible for the cost of the test. The cost will be deducted from the employees next scheduled pay check. Employees who test positive for alcohol or marijuana may be, at the company's discretion, placed on 90 days' probation during which time the employee will be retested. If the result of the retest is positive the employee will be subject to termination. The cost of the retest will be at the expense of the employee and will be deducted from the employee's next scheduled pay check.

BACKGROUND CHECK POLICY

All employees of On-Target Supplies & Logistics are required to undergo background checks as a condition of employment. In an effort to protect the integrity of the Company and the assets of the client, employees will undergo random background checks. Adverse results, depending on the nature of the offense, could result in termination of employment. Failure to consent to a background screen will result in progressive discipline up to and including termination.

SAFE DRIVING POLICY

On-Target Supplies & Logistics, Ltd. is concerned about the safety of its employees and the lives of the general public on the highways. All company owned vehicles will be operated, licensed and insured in accordance with applicable local, state and federal laws.

Employees with assigned driving duties or who have obtained management's written approval to drive their personal vehicle on Company business must at all times meet the following criteria:



- have a current, valid driver's license for the state in which the employee performs his or her driving duties;
- maintain a driving record with no major violations (DWI, reckless driving, hit and run, etc.) or convictions within the last five (5) years; and
- have no more than two-at fault accidents or moving violations within the last three years

The Company reserves the right to investigate an employee's driving record and take whatever action necessary or appropriate based on the information gained. Drivers who develop an unacceptable record may be considered for one-year probation. If the record continues to be unacceptable, On-Target will consider the following actions:

- Reassignment to a non-driving position
- Termination of employment

An employee must obtain management's written approval before using their personal vehicle for work. Any employee who drives their personal vehicle for work related purposes and has not obtained management's written approval will be subject to disciplinary action including termination.

Any employee driving a Company vehicle or driving their personal vehicle on Company business must observe all applicable state and federal laws. No driver may consume alcohol or illegal drugs while driving a Company vehicle, while driving their personal vehicle while on Company business, while in a Company vehicle, or prior to the employee's shift if such consumption would result in a detectable amount of alcohol or illegal drugs being present in the employee's system while on duty. In addition, no driver may consume or use any substance, regardless of legality or prescription status, if by so doing, the driver's ability to safely operate a motor vehicle and carry out other work-related duties would be impaired or diminished. Any illegal, dangerous, or other conduct while driving that would tend to place the lives or property of others at risk is prohibited.

Anything an employee does in connection with the operation of motor vehicles can affect that employee's fitness for duty or insurability as a driver. Regardless of fault, circumstance, on- or off-duty status, time, or place, any employee, who drives on Company business, who receives a traffic citation from or is arrested by a law enforcement officer, or who is involved in any kind of accident while driving, must inform an appropriate supervisor within 48 hours of an accident or receiving a violation. Any penalty, fine, imprisonment, fee, or other adverse action imposed by a court in connection with such an incident must also be



reported within 48 hours. In both of the above situations, the matter will be reported to the Company's insurance carrier so that a prompt decision on continued coverage of the employee can be made.

Responsibilities of all employees with authorization to drive on behalf of the Company:

- Report all citations and convictions with full details to employer within 48 hours
- Report suspension of license
- Obey speed limits and all other traffic laws
- Wear seat belts at all times
- Conduct yourself in a civil manner at all times and always avoid or back down from confrontation
- Never argue with another driver or a police officer
- Do not use a cell phone (unless it is hands free) text or email while driving
- Take 15-minutes breaks every two hours of driving
- Comply with the Company's Drug & Alcohol Free Policy

Additional responsibilities for employees with commercial driving responsibilities:

- Complete daily pre and post trip inspections
- Maintain a driver's record of duty status in accordance with Federal regulations
- A driver may not drive without first taking 10 consecutive hours off duty
- A driver may drive only during a period of 14 consecutive hours after coming on duty following 10 consecutive hours off duty. The driver may not drive after the end of the 14-consecutive-hour period without first taking 10 consecutive hours off duty.
- A driver may drive a total of 11 hours during the 14-hour period

Employees who drive company vehicles shall not, at any time, use company vehicles for personal reasons. Violation of this policy will be subject to disciplinary action, up to and including termination. Employees are restricted from personal use of any kind, including but not limited to, the following:

- Using company vehicles to run personal errands on or off work
- Transporting non-employees in company vehicles, including family members
- Allowing non-employees to use company vehicles for any reason



If an employee is authorized to drive their personal vehicle on Company business the car must be legally registered and insured in accordance with state law. The employee must show evidence of this upon request. The employee is also expected to properly maintain their vehicle.

The company will not be responsible for paying speeding or parking tickets received by an employee while driving on Company related business. The Company expects all employees to obey all traffic laws.

EMPLOYEE LEGAL CITATION, WARRANT, ARRESTS AND CONVICTIONS POLICY

The Employee Legal Citation, Warrant, Arrests and Convictions Policy establishes proper guidelines for an employee who has been arrested and/or convicted of a crime. For purposes of this policy, a crime is defined as an activity that:

- May be punishable by fine or imprisonment; or
- Implicates public well-being, safety or trust

Misdemeanor traffic offenses payable by fine *only* are excluded unless the employee's job duties include operating a Company vehicle, irrespective of whether the employee was operating his/her personal vehicle and/or Company vehicle at the time of the alleged offense.

An employee, who knows of an outstanding warrant, is arrested on a misdemeanor or felony charge, is convicted of a criminal offense, or is granted deferred adjudication/probation shall notify the Company's Senior Vice President of Compliance. of the warrant, arrest, deferred adjudication/probation, or conviction by the end of the next business day. If the employee cannot personally notify the Company's Senior Vice President of Compliance, the employee may have another person do so and then follow up personally as soon as the employee can. Failure to inform the Company's Senior Vice President of Compliance within the designated time period set forth herein, or failure to personally report to the Company's Senior Vice President of Compliance soon as possible after having another person initially notify the Company's Senior Vice President of Compliance as set forth above, may result in disciplinary action up to, and including, immediate termination. Depending on the circumstances of the arrest, charge or warrant,



the employee may not be permitted to work until such matters are resolved. The employee may be placed on unpaid leave of absence status until the employee is cleared or convicted of the charge or until an internal investigation in the alleged violation concludes.

On-Target may take disciplinary action, up to and including termination, at any time in response to an employee's arrest, conviction or warrant.

(a) Factors that will be considered in determining the appropriate disciplinary action include:

- (1) Severity of the alleged act or conviction;
- (2) Relevance of the arrest, warrant, or conviction to the employee's job duties; and
- (3) Impact of the arrest, warrant, or conviction on the Company's integrity and public image.

b) In all cases, disciplinary action must be supported by information obtained from publicly disclosed information, witness reports, police report, or court records.

All information obtained for investigative purposes will be treated as confidential to the extent possible under federal and state guidelines.

TELEWORK PROGRAM POLICY

Teleworking, or telecommuting, is the concept of working from home or another location on a full- or part-time basis. Teleworking is not a formal, universal employee benefit. Rather, it is an alternative method of meeting the needs of the company. The company has the right to refuse to make teleworking available to an employee and to terminate a teleworking arrangement at any time. Employees are not required to telework. Employees have the right to refuse to telework if the option is made available. An employee is only able to telework if he/she has received express written authorization from their immediate supervisor to work from home or another location.

The company's policies for special circumstances teleworking are as follows:

Compensation and Work Hours

The employee's compensation, benefits, work status and work responsibilities will not change due to participation in the teleworking program.



The amount of time the employee is expected to work per day or pay period will not change as a result of participation in the teleworking program.

Eligibility

Successful teleworkers have the support of their supervisors. Employees will be selected based on the suitability of their jobs, an evaluation of the likelihood of their being successful teleworkers, and an evaluation of their supervisor's ability to manage remote workers. Each department will make its own selections.

If special circumstances arise in support of implementing a telework arrangement with an employee, both the employee and manager will be expected to complete a training course designed to prepare them for the teleworking experience. All teleworkers must sign an agreement.

Equipment/Tools

The company may provide specific tools/equipment for the employee to perform his/her current duties. This may include computer hardware, computer software, phone lines, email, voice-mail, connectivity to host applications, and other applicable equipment as deemed necessary.

The use of equipment, software, data supplies and furniture when provided by the company for use at the remote work location is limited to authorized persons and for purposes relating to company business. The company will provide for repairs to company equipment. When the employee uses her/his own equipment, the employee is responsible for maintenance and repair of equipment.

A loaner laptop may be provided when available. Loaner computers will vary in performance and configuration. Loaners must be returned upon request.

Workspace

The employee shall designate a workspace within the remote work location for placement and installation of equipment to be used while teleworking. The employee shall maintain this workspace in a safe condition, free from hazards and other dangers to the employee and equipment. The company must approve the site chosen as the employee's remote workspace. Employee is expected to submit three photos of the home workspace to management prior to implementation.



Any company materials taken home should be kept in the designated work area at home and not be made accessible to others.

The company has the right to make on-site visits (with 48 hours advance notice) to the remote work location for purposes of determining that the site is safe and free from hazards, and to maintain, repair, inspect, or retrieve company-owned equipment, software, data or supplies.

Office Supplies

Office supplies will be provided by the company as needed. Out-of-pocket expenses for other supplies will not be reimbursed unless by prior approval of the employee's manager.

Worker's Compensation

During work hours and while performing work functions in the designated work area of the home, teleworkers are covered by worker's compensation.

Liability

The employee's home workspace will be considered an extension of the company's workspace. Therefore, the company will continue to be liable for job-related accidents that occur in the employee's home workspace during the employee's working hours and while in the course and scope of their employment.

The employee's at-home work hours will conform to a schedule agreed upon by the employee and his or her supervisor. If such a schedule has not been agreed upon, the employee's work hours will be assumed to be the same as before the employee began teleworking.

The company assumes no liability for injuries occurring in the employee's home workspace outside the agreed-upon work hours.

The company is not liable for loss, destruction, or injury that may occur in or to the employee's home. This includes family members, visitors, or others that may become injured within or around the employee's home.

Dependent Care

Teleworking is not a substitute for dependent care. Teleworkers will not be available during company core hours to provide dependent care. Company, at its sole discretion, reserves the right to make allowances and/or exceptions to this particular provision.



Income Tax

It will be the employee's responsibility to determine any income tax implications of maintaining a home office area. The company will not provide tax guidance nor will the company assume any additional tax liabilities. Employees are encouraged to consult with a qualified tax professional to discuss income tax implications.

Communication

Employees must be available by phone and email during core business hours. All client interactions will be conducted on a client or company site. Participants will still be available for staff meetings, and other meetings deemed necessary by management.

The company will pay work-related voice and data communication charges.

Evaluation

The employee shall agree to participate in all studies, inquiries, reports and analyses relating to this program. The employee remains obligated to comply with all company rules, practices and instructions.

AMERICANS WITH DISABILITIES ACT (ADA) POLICY

On-Target is committed to ensuring equal opportunity and access to all employees in accordance with the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 (ADA). The Company prohibits discrimination against any employee or applicant on the basis of physical or mental disability, or perceived disability.

ADA Definition of Disabled

The ADA's protection applies primarily, but not exclusively, to "disabled" individuals. An individual is "disabled" if he or she meets at least any one of the following tests:

1. Has a physical or mental impairment that substantially limits one or more of major life activities
2. Has a record of such an impairment
3. Is regarded as having such impairment

Notification Requirements

All employees seeking accommodation under section 504 of the Rehabilitation Act or the Americans with Disabilities Act must notify Organizational Development. A request for accommodations must be submitted in writing.



It is the responsibility of the employee to submit documentation of physical, mental or learning disabilities from qualified and licensed medical personnel. Expenses incurred in obtaining the professional verification are the employee's responsibility. The following documentation criteria should be used in forwarding assessments to Organizational Development for disabilities verification:

- **Physical, Sensory, and Health-Related Disabilities**

Verification of the disabling condition must be obtained from a qualified licensed health care professional that is currently or has recently treated the employee. The diagnosis must reflect the present level of functioning of a major life activity affected by the disability.

- **Psychological Disorders or Attention Disorders**

Verification of diagnosis and severity of disabling condition must be obtained from a licensed health care professional (e.g., psychologist or psychiatrist) that is currently or has recently treated the employee. The diagnosis must also include a detailed description of how this impairment significantly limits a major life activity.

- **Learning Disabilities**

A professional qualified to diagnose a learning disability (e.g., a licensed psychologist, learning disabilities specialist, neuropsychologist), must prepare the evaluation. An evaluation should be no more than three years old.

Reasonable Accommodation

A qualified employee or applicant with a disability is an individual who, with or without reasonable accommodation, can perform the essential functions of the job in question. Reasonable accommodation may include, but is not limited to:

- Making existing facilities readily accessible to and usable by employees with disabilities
- Job restructuring, modifying work schedules, reassignment to a vacant position, etc.

An employer is required to make an accommodation to the known disability of a qualified applicant or employee if it would not impose an "undue hardship" on the operation of the employer's business. Undue hardship is defined as an action requiring significant difficulty or expense when considered in light of factors such as an employer's size, financial resources and the nature and structure of its operation.



An employer is not required to lower quality or production standards to make an accommodation, nor is an employer obligated to provide personal use items such as glasses or hearing aids.

Employers may not ask job applicants about the existence, nature or severity of a disability. Applicants may be asked about their ability to perform specific job functions. A job offer may be conditioned on the results of a medical examination, but only if the examination is required for all entering employees in similar jobs. Medical examinations of employees must be job related and consistent with the employer's business needs.

Employees and applicants engaging in the illegal use of drugs are not covered by the ADA. Tests for illegal drugs are not subject to the ADA's restrictions on medical examinations.

RECORDING POLICY

On-Target Supplies & Logistics ("On-Target") is committed to protecting the confidential and proprietary information of their clients and the freedom of its employees to communicate without the fear of being secretly recorded without their consent.

Therefore, in order to maintain confidentiality with all information and records, On-Target employees should not record conversations of another without his or her prior knowledge and consent. Recordings include audio and/or video, by any means including smart phones.

On-Target employees may not record telephone or other conversations they have with their coworker, managers or third parties without the other person's prior knowledge and consent.

The devices used to record via audio or video that are prohibited are inclusive of, but are not limited to, phones, voice recorders of any kind, video cameras of any kind, and microphones.

On-Target and their clients reserve the right to install and use security cameras for the purposes of safety and monitoring worker performance.

However, nothing in this policy is intended to prevent On-Target employees from making recordings for concerted activity purposes or as otherwise protected by law.

A violation of this policy may result in disciplinary action, up to and including termination.



ENVIRONMENTAL, HEALTH AND SAFETY

COMMUNICABLE DISEASES POLICY

On-Target is committed to maintaining a healthy work environment by striving to appropriately protect the health and well-being of all employees in the work place. As On-Target becomes aware of communicable diseases either related to employee exposure or any outbreaks as communicated by the CDC, On-Target will take the appropriate steps necessary to prevent the spread of such diseases. On-Target will abide by laws regarding discrimination and communicable diseases. The policy is designed to address all types of communicable diseases. In general, the company follows the recommendations of the Centers for Disease Control (CDC).

General Policy

Employees are required to report any exposure of a contagious disease that might pose a direct threat to health or safety in the workplace. An employee that fails to do so is subject to discipline, up to and including termination.

As required by the Health Insurance Portability and Accountability Act (HIPAA), medical information is confidential and the employer will make every reasonable effort to maintain the employee's privacy. However, information relating to a contagious disease in the workplace may be disclosed to employees when the information is necessary to protect their health or safety. The necessity of disclosure will be determined by Organizational Development. An employee concerned about being infected with a contagious disease while in the workplace should convey this concern to an immediate supervisor.

An employee refusing to work with an employee who is diagnosed with a communicable disease that poses no life threat through casual contact will be subject to disciplinary action, up to and including termination; unless the employee provides a written recommendation from a certified physician that gives reasonable evidence for accommodations. Decisions regarding transfer requests will be contingent on a vacancy existing.

The company may reassign an infected or contagious employee. The company may also require the employee to take a medical leave of absence and/or to provide a fitness for duty certificate from a physician. If an employee with a communicable disease requests job accommodations for a medical condition, the employee must obtain a written medical evaluation that state whether (a) the employee is medically unable to perform assigned and/or essential duties; (b) the employee's condition poses a risk of exposure in the workplace; or (c) the employee needs specific job accommodations in order to maintain



employment. Reasonable accommodations for the employee with a communicable disease will be provided in accordance with ADA and FMLA.

General Standards & Practices

Employees are expected to comply with general health and safety standards; especially when there is an outbreak of a communicable disease in the workplace. For example, employees who are ill with the flu should remain at home to reduce exposing others at work. Employees are to wash their hands regularly and cover their mouths when sneezing or coughing. Employees are to report any areas of the workplace that need to be cleaned.

Employees who are diagnosed as being infected with a communicable disease, such as SARS, tuberculosis, Hantavirus, avian flu or typhoid fever, are expected to follow the instructions of the healthcare providers and are expected to provide information to the company regarding their infection when directed to do so by their physician or public health officials. Employees and managers should contact Organizational Development if they believe they need information about an illness or if there is any concern about the possible contagious nature of an employee's illness.

When a supervisor or manager learns that an employee has or is suspected of having, a communicable disease, Organizational Development should be contacted immediately for consultation.

If a communicable illness is work-related, the employee is to report that fact by completing a workers' compensation claim form in accordance with company policy.

Definitions

- Communicable disease - A health threatening disease that can be transmitted from one person to another through direct or indirect contact, e.g., HIV, tuberculosis, SARS, Hepatitis A, etc.
- Exposure - Direct contact of an infectious agent such as a body fluid, droplet, or aerosol with an open wound, area of broken skin, or mucous membrane of the eyes, nose, or mouth, or piercing of the skin with a contaminated sharp instrument or other method of infection.

Specific Communicable Diseases

Here is some brief information on communicable diseases of concern in the workplace. Should an employee suspect they have one of these diseases or others, the employee should inform Organizational Development and consult a healthcare provider.



- AIDS - causes a breakdown in a person's normal protection against infections. Symptoms may appear long after contracting this disease. Medical experts advise there is no known risk of AIDS transmission between an affected employee and other employees while engaged in their normal activities which may involve close contact at work. This disease is not transmitted through breathing the same air or through use of toilet facilities. This disease is known to be transmitted through intimate sexual contact, direct contamination with blood or bodily secretions from a person with AIDS, or by sharing hypodermic needles.
- Influenza A (H5N1) - also known as “avian flu” or “bird flu” does not commonly infect humans. Exposure to infected birds and their feces or dust contaminated with feces has been associated with human infection; however, this is a rare occurrence. Potentially exposed workers should monitor their health for the development of fever, respiratory symptoms, and/or conjunctivitis (i.e., eye infections) for 1 week after last exposure to avian influenza-infected or exposed birds or to potentially avian influenza-contaminated environmental surfaces.
- Hepatitis A is a liver disease caused by the hepatitis A virus. Symptoms include jaundice, fatigue, abdominal pain, loss of appetite, intermittent nausea, fever, vomiting, and diarrhea. It is transmitted by fecal-oral material, food/waterborne outbreaks, or it can be blood borne (rare). Casual contact as in the usual office setting does not spread the virus.
- Influenza “the flu” is an acute, commonly epidemic disease. The flu is transmitted through the air by coughs or sneezes. The flu can also be transmitted by direct contact with nasal secretions or through direct contact with contaminated surfaces. The flu includes symptoms such as chills, fever, headache, tiredness, dry cough, sore throat, nasal congestion, and body aches. While most people who get the flu recover, some individuals will develop life-threatening complications such as pneumonia. Employees with the flu are encouraged to take time off to address their illness. A release from a medical professional may be required before the employee can return to work. The company sponsors flu vaccination days during the fall each year. Employees are encouraged, but not required, to obtain a flu vaccination.
- Measles is an acute, highly communicable viral disease. The risk of exposure to measles outside the United States can be high. It is spread through coughing, sneezing, and even talking. Incubation is usually from 10 to 15 days. A characteristic red, blotchy rash appears around the third day of illness. There is a vaccine available for travelers to countries where measles remains a common disease.



- Mumps is an acute, viral disease characterized by fever, swelling, and tenderness of one or more salivary glands. While mumps has declined in the United States, the risk for exposure to mumps outside of this country can be high. Vaccine is available for travelers to countries where mumps remains a common disease.
- Three types of plague continue to be recognized worldwide. Most cases are the result of bites by infected fleas or contact with infected rodents or other animals. Symptoms of the Bubonic plague include enlarged, tender lymph nodes, fever, chills and prostration. Symptoms of Septicemia plague include fever, chills, prostration, abdominal pain, shock and internal bleeding. Symptoms of Pneumonic plague include fever, chills, coughing and difficulty breathing; rapid shock and death if not treated early.
- Severe Acute Respiratory Syndrome (SARS) is a serious form of pneumonia. Infection with SARS causes acute respiratory distress such as cough, shortness of breath or difficulty in breathing. You can catch the SARS virus if you breathe in or touch droplets from coughs or sneezes. The SARS virus may also live on hands, tissue and other contaminated surfaces
- Tuberculosis (TB) is a disease that is spread from person to person through the air. TB generally affects the lungs but can also affect the kidney, spine and brain. TB symptoms include feeling weak or fatigue, weight loss, fever, and night sweats, a bad cough that last 3 weeks or longer, chest pain, and coughing of blood.
- Typhoid fever is a life-threatening illness caused by the bacterium *Salmonella Typhi*. Transmitted by the ingestion of food or water contaminated with the feces of an infected person. The primary symptom is persistent high fevers. Other common symptoms include headache, stomach pain, and loss of appetite.

WORKERS' COMPENSATION & ACCIDENT/INJURY REPORTING

The company provides workers' compensation insurance covering injuries or illnesses occurring in the course of your employment. Workers' compensation law requires the employer to report to its insurance carrier all work-related illnesses, injuries and accidents, sustained by its employees. If you are involved in an accident it is important that you notify your supervisor immediately. This policy covers accidents that occur on the company premises, in a company vehicle or at a designated work location not owned or operated by the Company. Generally, workers' compensation does not cover injuries sustained traveling to or from work or during the lunch period. Company policies relating to the Family and Medical Leave Act (FMLA), the Americans with Disabilities Act (ADA), group insurance,



light duty, medical examinations, drug and alcohol testing, and the like apply to workers' compensation claims.

Supervisors should bear in mind that the premiums paid by the company vary according to the frequency of claims filed. Therefore, to avoid unnecessary cost burdens on the company, supervisors should do everything in their power to avoid unnecessary accidents on the job, to investigate promptly those that do occur, and to remind their employees that fraudulent claims will result in disciplinary action up to and including termination.

Company Guidelines

Employees who incur a job-related illness or injury are required to report immediately (at least within 24 hours) to their supervisor. Negligence or refusal to adhere to this guideline can result in progressive discipline up to and including termination.

- The supervisor, upon notice of a job-related illness or injury, and depending upon the injury, will immediately arrange for the injured employee to receive required medical care, including being taken to the hospital, if necessary. The employee should also be sent for a drug and alcohol test if there is a reasonable possibility that employee drug or alcohol use could have contributed to the reported illness or injury.
- The supervisor will question the employee and all witnesses regarding the cause and circumstances of the injury.
- The supervisor along with the Director of Safety and Security will investigate the cause of the incident to determine any corrective action.
- The supervisor will prepare a written report giving details and circumstances surrounding the injury or illness (first report of injury). This document will be sent to the Safety and Security department.
- Safety and Security with a member of Organizational Development will review the report with the supervisor.
- Upon determination that the injury or illness is work-related, the Directory of Safety and Security will ensure that all associated paperwork is completed and submitted to the insurance company. That all Occupational Safety and Health Administration (OSHA) forms and reports are completed.
- In addition to completing and processing all necessary documents immediately following a work-related injury or illness, Safety & Security should keep the insurance carrier informed of the condition and expected return-to-work date of the employee, by providing copies of physician(s)' statements.
- All documentation relevant to the claim will be filed in the Organizational Development files.



At no time should a supervisor or a member of management make any commitments or statements pertaining to the company's liability in regard to an employee's injury or illness. Should an employee demand to know the company's position, the employee is to be advised that an investigation is in progress, and that no decision has yet been made.

Employees who suffer a job-related injury or illness, and who must report for medical treatment during working hours on the day of the injury, will be compensated for the remainder of the work day. The immediate supervisor is to note and approve on the employee's time clock report the time lost due to treatment of a work-related injury or illness.

During an employee's absence due to a job-related injury or illness, the employee is responsible for contacting Organizational Development to provide information relating to the injured employee's progress and the expected date of return to work.

A physician's statement will be required before the employee will be allowed to return to work. In cases where the absence is likely to extend beyond one week, a follow-up with the physician should take place in order to obtain information relating to the injured employee's progress and the expected date of return to work. As a general rule such statements should be provided to Organizational Development on the date in which the employee has a follow up visit with the physician. A second opinion (called an independent medical examination [IME]) may be obtained from another physician, selected by the company, in instances where: (a) an absence extends beyond the initial "original return to work date," (b) an absence extends beyond one month, or (c) in cases of doubtful liability.

Employees whose work-related illnesses or injuries are expected to prevent them from returning to work within one week should be contacted, during the second week of absence, by Organizational Development via phone. Employees whose absences extend beyond one month should be contacted again on the fifth week. The purpose of the phone calls is to:

- Demonstrate the Company's concern regarding safety and the employee's protection and welfare.
- Encourage employees to return to work as soon as they are physically capable of performing the work available.
- Obtain information relating to the injured employee's progress and the expected date of return to work



Employees unable to return to work after the sixth week of absence, unless the employee is on FMLA, will be considered unavailable to work and their employment will be terminated. The employee may reapply for an open position once they are able to work.

Return to work of employee following job-related injury or illness

Employees may not return to work following a job-related injury or illness until their return is approved by the treating physician. If the employee is released 100% when possible the employee will be reinstated to the position previously held. However, if the job is no longer available, the employees will be assigned to work equivalent (in duties, hours, and pay) to their previous jobs. This will be practiced unless the job no longer exists and that its dismissal is not related to the absence of the employee.

If the employee is released with restrictions to the extent possible light duty accommodations will be made available. If work within the employee's restriction(s) is available, the restrictions being of a temporary nature, the employee will be assigned to restricted work until he or she is physically capable of reassignment to his or her previous job. Upon assignment to restricted work, the employee is to be advised of the nature of the assignment and the pay. Normally, employees will be paid at the pay rate assigned to the work. If work is not available within the employee's restriction(s), the employee is to be kept on leave of absence until:

- Work meeting the employee's restriction(s) is available, or
- The employee's restrictions have been removed or altered so as to permit return to the original or other open position, or
- A decision is reached, by the physician, that the employee is not re-employable as defined by the employer's job description and associated essential duties, or
- The expiration of the leave as defined by FMLA.

Any of these procedures may be modified to comply with applicable laws, such as the ADA and the FMLA.

Work-related death of employee

In the event that an employee dies while at work, or dies while away from work because of a job-related injury, the Executive Team and the Director of Safety and Security are to be notified immediately. The Occupational Safety and Health Act of 1970 requires an employer to report by telephone or in person to the nearest OSHA area office within 8 hours of an accident or health hazard that results in one or more fatalities or hospitalization of three or more employees. If the area office is closed, the employer is required to call



1-800-321-6742. Voice messages, facsimiles, or e-mails to an area office are not acceptable.

No statements of the cause, probable cause, or suspected cause of death are to be made to any employee, relative or representative of the deceased, news media, or other person or agency until the cause of death has been determined by a legally qualified person or official body empowered to make such determinations. If inquiries are received, they are to be referred to the Executive Team for handling.

Notice to new employees

“You may elect to retain your common law right of action if, no later than five days after you begin employment or within five days after receiving written notice from the employer that the employer has obtained workers’ compensation insurance coverage, you notify your employer in writing that you wish to retain your common law right to recover damages for personal injury. If you elect to retain your common law right of action, you cannot obtain workers’ compensation income or medical benefits if you are injured.”

EXPENSES

EXPENSE REIMBURSEMENTS

All employee reimbursements will be processed through ExponentHR® and paid out on the next regular payroll check.

- Employees are responsible for submitting their expense request and applicable receipts using ExponentHR®.
- No expense reimbursement will be paid until all pertinent and acceptable forms of proof have been received by Organizational Development.
- Management approval is required on all reimbursement requests.
- Employees have 30 days from the date of receipt to submit receipts for reimbursement. Submissions exceeding the time limit may not be honored.
- Reimbursements will not be treated as earnings; taxes, withholdings and deductions will not be assessed.

MEALS AND ENTERTAINMENT POLICY



Meals and entertainment with customers, potential customers, employees and business associates are a necessary part of the Company's operations. This policy is to provide guidance on the management of meals and entertainment conducted on behalf of On-Target.

Due to IRS regulations, business meals and entertainment should be reported and supported by the appropriate documentation. In order to be reimbursed, meals and entertainment must be directly related to or associated with the act of conducting the company's business.

Business meals and entertainment are defined as meals and entertainment occurring before, during, or after a business discussion and under conditions where the recipient would reasonably know that the object of such meals and entertainment is to further business relations.

Any business meal and entertainment expense, regardless of amount or method of payment, must be supported by the appropriate documentation. The detail listed below must be provided to sufficiently identify a business meal and entertainment expense:

- Proper receipt provided by the establishment
- Date, place and time of meal and entertainment
- Nature of expenses (theater tickets, lunch, dinner, etc.)
- Names of people involved
 - An identifiable group or individual names including company employees
 - Their business relationship to the Company and business purpose
- Amount of each separate expenditure

All business meal and entertainment expenses should be approved by an Executive prior to incurrence. Meal and entertainment expenses incurred without prior approval may not be refunded by the Company.

Expense Reporting

Payment for a single meal and entertainment event should not be split between two or more employees—*one* employee should account for total expenses. Employees must submit meal and entertainment expense reports timely and accurately. Such reports must be submitted within thirty (30) days from the date incurred. Expense reports not submitted within thirty (30) days may not be refunded by the Company.

Charges incurred on a corporate credit card generate an employee receivable with the same expectation of a timely report. Credit card charges not cleared with an expense report



within thirty (30) days will result in a payroll deduction initiated by Organizational Development.

Receipts

The following are required:

- All employees must submit itemized receipts except for *de minimis* expenses such as taxis, tolls, etc. Expenditures over \$25 will never be considered to be *de minimis* and can only be reimbursed with a receipt.
- Credit card statements are not acceptable as support for expenses seeking reimbursement.
- Original amounts and dates must not be altered; however, restaurant tips incurred may be added to the receipt.
- Approvers must verify that receipts are submitted and that expenses are reasonable, appropriate, and in accordance with this policy.
- Cash expenses must be supported with formal, printed receipts. Where unavailable, generic receipts (one without establishment name) are acceptable if appropriately stamped or signed by the establishment.
- Employees should retain copies of all receipts after submission for later verification, if needed.

Meals

The cost of any food and refreshments served at a business meeting involving non-On-Target employees is reimbursable as a meal and entertainment expense, subject to the guidelines of this policy.

Meals are expected to be limited in number of attendees and total cost. The cost of these meals should not exceed \$15 per person for lunch or \$25 per person for dinner (including alcohol, taxes and gratuities). In certain circumstances, these guidelines can be exceeded, but special circumstances must be documented in writing and approved by two members of Executive management.

Tipping

Gratuities paid for services provided shall not exceed 15% of total expense, except in cases where the establishment impose 20% gratuity for large parties. Gratuities must be appropriately documented. Cash tips are not reimbursable expenses.

Entertainment in the Home

When appropriate and cost effective, business meals and entertainment may take place in an employee's home. Prior to hosting an event the requestor must submit an itemized



Expense Pre-Approval Form, to Executive Management, detailing the purpose of the expense and the amount requested. In order for the expense to be reimbursed there must be:

- Prior approval from Executive Management
- Adherence to IRS guidelines for ordinary and necessary business expense
- Appropriate documentation as previously defined in this policy

MILEAGE REIMBURSEMENT

At times employees, may be required to use their personal car for business purposes. Reimbursement for the operating expenses of the car will be calculated by multiplying the number of miles traveled by the currently approved Standard Mileage Rate published by the IRS. Other expenses must be substantiated by receipts in accordance with the Expense Reimbursement Policy. The costs of commuting (travel between home and the work site) will not be reimbursed.

Policy

All On-Target Supplies & Logistics employees who use their cars for business purposes must have current and adequate automobile/liability insurance coverage. Employees must not transport volunteers or clients in their personal vehicles. If transportation of this type is necessary, a rented vehicle should be used.

Mileage will be reimbursed for the round-trip distance between the employee's work site and the location of the business function being attended. If employees depart from or return to their home instead of their work site, only the miles in excess of the normal daily commute can be claimed as an expense.

Mileage amounts must be verifiable through the use of commercially available websites (ex. Mapquest, Google Maps) using the "shortest route" option.

Other expenses such as parking will be reimbursed at the actual costs. Original, itemized receipts must be provided.

Employees must document their travel on the Mileage Reimbursement Form.

Any travel of an employee for the purposes of going to or from a company-sponsored volunteer activity shall be excluded from this Mileage Reimbursement Policy and, therefore, employees shall not be entitled to any form of mileage and/or other expense reimbursement as a result of any such travel to and from a company-sponsored volunteer activity.



Examples

1. An employee travels from the main office to a meeting at Texas Instruments. The employee then stops for lunch on the way to another meeting at Oncor Lancaster. Finally, the employee returns to the main office. The entire mileage for this trip can be reimbursed.
2. An employee travels from home to a conference and back to home again. The total trip (RT) was 65 miles. The employee's normal commute (RT) is 10 miles. In this case 55 miles can be reimbursed.
3. An employee travels from the main office to attend meetings at several locations and then returns home. The normal commute is 5 miles one-way. Mileage reimbursement would be 25 miles which is calculated as follows:
 - Trip 1 – main office to location A 5 miles reimbursed
 - Trip 2 – location A to location B 5 miles reimbursed
 - Trip 3 – location B to home 2 miles not reimbursed

Allowable Mileage Expenses

Examples of allowable business purposes include:

- Meetings
- Conferences/Presentations
- Travel between customer sites
- Site visits
- Work-related errands (post office, office supply store, etc.)
- Classes and workshops if job related and approved by the manager

Unallowable Mileage Expenses

Examples of unallowable business purposes include:

- Commuting between home and the work site
- Personal errands
- Elective continuing education

Procedure

Timing



A complete and accurate Mileage Reimbursement Form must be submitted within thirty (30) days from date expense was incurred.

Approval

Forms will be reviewed by the employee's supervisor and submitted to Payroll.

Documenting the Location

Enter the location name in the appropriate Exponent HR® reimbursement fields:

- If the location is a customer site, then no further information is necessary;
- If the location is an infrequent destination, then enter the address or street intersection and the city;
- If the location is a frequent destination, then enter the location name only and provide the address.

Documenting the Business Purpose

Indicate the specific purpose for the travel in the appropriate space provided on the Exponent HR® field.

Additional Information

Keep in mind that these forms may be reviewed by outside auditors. If more clarification is required, enter the details in the appropriate space provided in the Exponent HR® field. This is especially important if the number of miles claimed does not match commercially available websites for calculating mileage. Examples of when this may occur include: travel to or from home to a meeting or conference; carpooling in which several stops are required before the final destination; getting lost.



TIME AND ATTENDANCE

ATTENDANCE

On-Target Supplies & Logistics expects all employees to conduct themselves in a professional manner during their employment. All employees should practice good attendance habits by adhering to the guidelines in this policy. The Company believes that good attendance habits are an integral part of every employee's job description.

Among other things, "good attendance habits" include the following:

Applicable to all employees:

- Being at your work station ready for work by the start of the shift.
- Remaining at your work station unless the needs of the job require being elsewhere, except during authorized breaks (including restroom breaks)
- Taking only the time normally allowed for breaks
- Remaining at work during your entire shift, unless excused by your supervisor or manager
- Personally notifying your supervisor (at least 30 minutes before your scheduled report time) if you are going to be either absent or tardy, unless a verifiable emergency makes it impossible for you to do so. It is not sufficient to call in and leave a message with a co-worker or someone else that is not in a supervisory position. Habitual call-ins for unscheduled absences (absences that have not received prior approval from your manager) or tardiness may result in disciplinary action, up to and possibly including termination.

Applicable to all non-exempt employees:

- Appearing for work no earlier than 15 minutes prior to the start of the shift and no later than the start of the shift
- Leaving promptly at the end of your shift unless you have been given advance permission by your supervisor or manager to work past that point



Applicable to all exempt employees:

- Employees should plan their work in accordance with their normal work schedule but may be expected to work beyond their scheduled time, if necessary, to successfully perform the duties of the position

Exempt employees are required to use accrued PTO for both scheduled and unscheduled absences. If an employee does not have PTO available to cover an unscheduled absence the employee will be placed in a negative PTO status. If the PTO status exceeds negative 16 hours, the employee may be subject to Progressive Disciplinary action.

Non-exempt employees should receive approval from their manager before using accrued PTO for unscheduled absences.

Employees absent without notice for two days in a row, will be considered to have abandoned their job and On-Target will process the work separation as a voluntary resignation.

Progressive Attendance Discipline:

On-Target has an Attendance Policy that is based on an 8-point system. Points are assigned in the following manner:

Tardy* - 1/4 point

Late** - 1/2 point

Work less than half your scheduled shift – 1/2 point

Full Day Absence*** -1 point

No Call / No Show -4 points

PTO exceeds negative 16 hours - 3 points

*You are considered tardy if you arrive (1) to (7) minutes past your scheduled shift start time.

**You are considered late if you arrive six (6) minutes past your scheduled shift start time.

***There will be no points given for scheduled PTO. However, same day PTO request will receive 1 attendance point for the absence.



If one No Call No Show or two absences occur in the first 90 days of employment this will result in automatic termination. The ability to use a same day PTO request remains the same however you will receive 1 attendance point for the absence. The point system is based on a "Rolling Calendar". You may not receive more than 8 points in any 12-month time frame.

For example, if you receive 3 points in January, they will not be removed from your record until January of the following year. Disciplinary action will follow the Progressive Discipline Policy and will be administered as follows:

3 points -Counseling and verbal warning

4 points -Written warning

6 points – Suspension & final warning

8 points – Recommendation for termination

There will be no points given for the following instances:

- Family Medical Leave (FMLA)
- ADA accommodations
- Jury Duty (proof of service is required)
- Approved Leave of Absence
- Occupational Illness or Injury
- Military Leave
- Paid Time Off (scheduled in advance)

FAMILY & MEDICAL LEAVE ACT

Employees are eligible to take up to 12 weeks of unpaid family/medical leave within a "rolling" 12-month period measured backward and be restored to the same or an equivalent position upon your return from leave provided you: (1) have worked for the company for at least 12 months, and for at least 1,250 hours in the last 12 calendar months; and (2) are employed at a work site that has 50 or more employees within a 75-mile radius.



Reasons for leave

You may take family/medical leave for any of the following reasons: (1) the birth or adoption of a child; (2) the placement of an adopted for foster child with you in your home; (3) to care for a spouse, son, daughter, or parent (“immediate family member”) with a serious health condition; or (4) because of your own serious health condition that renders you unable to perform an essential function of your position. Leave for either of the first two reasons must be completed within the 12-month period beginning on the date of birth or adoption of a child. In cases where a married couple is employed by On-Target Supplies & Logistics, the two spouses together may take a combined total of 12 weeks' leave within a “rolling” 12-month period measured backward for reasons 1 and 2, or to care for the same individual pursuant to reason 3.

Military Family Leave Provision

Qualifying Exigency Leave

Eligible employees who are the spouse, son, daughter, or parent of a military member may take up to 12 weeks of FMLA leave during a “rolling” 12-month period measured backward to address the most common issues that arise when a military member is deployed to a foreign country, such as attending military sponsored functions, making appropriate financial and legal arrangements, and arranging for alternative childcare. This provision applies to the families of members of both the active duty and reserve components of the Armed Forces.

Military Caregiver Leave

Eligible employees who are the spouse, son, daughter, parent or next of kin of a covered service member may take up to 26 weeks intermittently of FMLA leave during a rolling calendar year. And, care for the service member 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 incurred or aggravated in the line of duty on active duty. This provision applies to the families of members of both the active duty and reserve components of the Armed Forces.

Notice of leave

If your need for family/medical leave is foreseeable, you must give the company at least 30 days' prior written notice. If this is not possible, you must at least give notice as soon as practicable (within one to two business days of learning of your need for leave except in extraordinary circumstances). Failure to provide such notice may be grounds for delay of leave.



Medical Certification

If you are requesting leave because of your own or a covered relation's serious health condition, you and the relevant health care provider must supply appropriate medical certification no more than 15 days after the leave request. Failure to provide requested medical certification in a timely manner may result in denial and/or delay of leave until it is provided.

The company, at its expense, may require an examination by a second health care provider designated by the company, if it reasonably doubts the medical certification you initially provide. If the second health care provider's opinion conflicts with the original medical certification, the company, at its expense, may require a third, mutually agreeable, health care provider to conduct an examination and provide a final and binding opinion.

Reporting while on leave

If you take leave because of your own serious health condition or to care for a covered relation, you must contact your direct supervisor on the first and third Tuesday of each month regarding the status of your condition and your intention to return to work. Reporting is required to begin immediately following the commencement of leave. In addition, you must give notice as soon as possible (within two business days if feasible) if the dates of the leave change or are extended.

Leave is unpaid

Family medical leave is unpaid. Your family medical leave runs concurrently with other types of leave, i.e., PTO and disability.

Medical and other benefits

During an approved family/medical leave, the Company will maintain your health benefits as if you continued to be actively employed. If paid leave is substituted for unpaid family medical leave, the company will deduct your portion of the health plan premium as a regular payroll deduction. If your leave is unpaid, you must pay your portion of the premium by submitting a check payable to On-Target Supplies & Logistics, Ltd. through Organizational Development. Your payment must be received the 1st of each month. If your payment is more than 15 days late, you will receive a letter to this effect. If we do not receive your payment within 15 days after the date of this letter, your coverage may cease.



Exemption for highly compensated employees

If restoration of employment will cause substantial economic injury to the company, highly compensated employees (i.e., highest-paid 10 percent of employees) may not be returned to their former or equivalent position following a leave.

Intermittent and reduced-schedule leave

Leave because of a serious health condition may be taken intermittently (in separate blocks of time due to a single health condition) or on a reduced-leave schedule (reducing the usual number of hours you work per work week or work day) totaling 12 weeks of time, if medically necessary. If leave is unpaid, the company will reduce your salary to the amount of time actually worked. In addition, while you are on an intermittent or reduced schedule leave, the company may temporarily transfer you to an available alternative position that better accommodates your recurring leave and which has equivalent pay and benefits.

Definitions

FMLA- refers to leave that is taken pursuant to the Family & Medical Leave Act of 1993 and subsequent amendments or changes.

Serious Health Condition- The FMLA defines this to include any “illness, injury, impairment or physical or mental condition that involves” either inpatient care or “continuing treatment” by a “health care provider” as defined in 29 U.S.C. §825.113.

Continuing Treatment- The FMLA defines continuing treatment to include a period of (a) incapacity and treatment, (b) pregnancy or prenatal care, (c) chronic conditions, (d) permanent or long-term conditions, (e) conditions requiring multiple treatments, or (f) absences attributable to incapacity under paragraph (b) and (c) of this section if the absence does not last more than three consecutive, full calendar days.

“Rolling” 12-month period measured backward - This term refers to the method that is used to calculate the 12 work weeks of leave that is available to an employee.

Health Care Provider- This term means (a) a doctor of medicine or osteopathy who is authorized to practice medicine by the State in which the doctor practices or (b) any other person determined by the State to be capable of providing health care services.

Parent- This term refers to the biological or legally appointed parent of an employee, or any individual who has stood in loco parentis to the employee.

Spouse- This term refers to a husband or wife as recognized by the State for purposes of marriage in the State where the employee resides.



Son or Daughter- This term refers to a biological, adopted, foster, legal ward or stepchild or a child of a person standing in loco parentis who is (a) under 18 years of age or (b) 18 years of age or older and incapable of self-care because of a mental or physical disability.

PAID TIME OFF POLICY

The following is On-Target's paid time off (PTO) benefits policy for full time employees:

Years of Service	Total PTO Days for Anniversary Year
After six months of employment	5 (40hrs)
1 st – 4 th year	10 (80hrs)
5 th – 15 th year	15 (120hrs)
16 th – 20 th year	20 (160hrs)
21 st year and over	25 (200hrs)

Paid Time Off (PTO) is defined as a bank of hours from which employees can draw. These hours are credited to the employee's "account" each payroll. Paid Time Off days or PTO can be used for any absence such as illness, vacation, bereavement, etc. For parental events employee may utilize all earned leave pursuant to the OTSL PTO policy. Employees are also entitled to any and all unpaid leave pursuant to the FMLA (see above).

PTO is granted after 6 months of continuous employment. PTO is accrued per pay period. Accruals are based on your years of service with the company. All employees (excluding the TI employee group) will be allowed to carry over 40 hours at the end of each annual anniversary.

Exempt employees may take PTO in one hour increments up to 8 per day based on their regularly scheduled work hours. Non-exempt employees may take PTO in one hour increments up to 8 or 12 hours per day based on their regularly scheduled work hours. PTO hours are not included in calculating overtime compensation unless otherwise specified within the contract with the client.

For the purpose of PTO calculations, transitioning employees (contingent upon the contractual agreement with the client), eligible for years of service bridging, will be subjected to a 3:1 conversion ratio (the "Conversion Ratio"), therefore every three years of service worked for the transitioning company equals one year of service at On-Target. In the event that On-Target's customer imposes a limit, or cap, on PTO days, then the



transitioning employee's available PTO days shall never exceed the customer imposed limit, or cap, irrespective of the actual Conversation Ratio calculation.

Employees hired to work as an assigned employee within an outsourced account will be governed by On-Target's PTO policy subject to any customer imposed limits, or caps, on PTO days.

Each PTO account is subject to an accrual stop balance. Employees will be limited to accrue up to their year's total PTO amount and will not be able to accrue any additional PTO hours until some PTO time is used by the employee.

PTO accruals will be suspended during any approved leave of ten or more working days and will resume upon return to active employment.

Whenever possible, PTO must be scheduled at least five days prior to the scheduled absence, and should be requested via ExponentHR®. Paid time off may also be used for unscheduled absences in the case of sickness or emergencies.

On-Target reserves the right to grant paid leave advances under certain circumstances. All paid leave advances must be approved by executive management.

Paid time off is a voluntary benefit offered by On-Target. The Company does not pay out earned but unused PTO at the time of termination of employment. If an employee resigns or is terminated with an outstanding negative PTO balance the Company will deduct any monies owed from the final paycheck, as permitted by law.

HOLIDAY PAY

Employees are eligible for holiday pay after 30 days of employment. Holiday pay is compensated at the same rate of pay as a normal work day and based on the normal worked hours. Holiday pay is intended for employees who would have been working on that day were it not for the holiday. Employees on scheduled leave i.e. FMLA or suspended without pay are not eligible for holiday pay. Employees scheduled to work but who do not report to work the day before or the day after the holiday will not be compensated for the holiday and may be subject to disciplinary action.

- If you work 40 hours, plus additional hours on the actual holiday, you will be paid time and one half for all hours over 40
- If you work 40 hours in a holiday week, but not the actual holiday, you will be paid 48 hours' straight time (40 regular hours plus 8 holiday hours)



- If you work 32 hours in a holiday week, but not the actual holiday, you will be paid 40 hours' straight time (32 regular hours plus 8 holiday hours)
- If you are called in to work on a holiday which was a scheduled day off, you will be paid time and one half for working the holiday
- If you work a compressed shift and you work on the holiday, you will be paid 8 regular hours plus 4 overtime hours and 8 holiday hours
- All holiday work and paid time must be pre-approved at the supervisory level. Unauthorized work will be subject to disciplinary action, including possible termination.

CIVIC DUTY LEAVE

On-Target encourages employees to perform their civic duties. To provide income protection while employees carry out their civic responsibilities, the following guidelines will apply:

Voting

Employees should be able to vote either before or after regular working hours. If this is not possible, and the employee does not have 2 consecutive hours available outside of normal working hours to vote, supervisors are authorized to grant up to 2 hours of time off during the regular work day for voting. In such cases, the supervisor may determine when the employee can leave work to vote. Time off for voting should be reported as time worked, and no reduction in PTO or salary will be made.

Jury Duty, Court Appearance, Administrative Proceeding

When summoned to serve on a jury or subpoenaed to serve as a witness in a court or administrative proceeding to which the employee is not a party, the employee will be allowed up to 16 hours of paid jury duty leave. Employees serving beyond the 16 hours will be required to take available PTO or Unpaid Leave for the additional time. As a general rule, On-Target will follow established state and federal law with regard to employees' compensation and time off while performing jury duty or serving as a witness in a court or administrative proceeding to which the employee is not a party.



To qualify for pay during periods of court service, employees must furnish documentary proof of such service. Employees are expected to report to work when not actually in court. Employees should contact their supervisor to verify whether they should report to work following court service.

LIMITATIONS ON LEAVE OF ABSENCES

With the exception of the following excluded types of leave, leaves of absence are limited to an employee's available Paid Time Off "PTO".

Excluded Types of Leave

Military duty

Jury duty

Witness duty

Time spent voting

Family Medical Leave

ADA accommodations

Any employee who for any reason or combination of reasons misses more than their available PTO in a twelve-month period, may be separated from employment due to unavailability for work, subject to any reasonable accommodation made in concurrence with the list of excluded types of leave. Each case will be reviewed individually. Any employee so separated may be eligible for rehire and may apply for any vacancies that exist at any given time, depending upon qualifications and availability of job openings.

Nothing contained in this policy shall be intended to be inconsistent and/or contrary to any state or federal laws or regulations pertaining to employee leaves of absence.

TIME MANAGEMENT POLICY

For a number of reasons, including conforming to the requirements of federal and state laws, it is necessary for On-Target to keep accurate payroll records. On-Target requires that all employees accurately complete a daily record of hours worked including time taken for the lunch break.

All non-exempt "hourly" employees, must record your time in ExponentHR® using your assigned pin number and not the web interface. Employees required and approved to use the web interface must record their time as accurately as possible. Any variance greater than five (5) minutes will be considered falsifying time. Falsifying your time constitutes



grounds for immediate termination. No employee may work “off the clock”. All time worked must be recorded accurately.

No employee may record the time of any other employee or request that another employee record his or her time. Violations will be grounds for immediate termination.

No employee may work more than fifteen (15) minutes before or after the scheduled work time without permission from the immediate supervisor. Beyond the aforementioned any variations from normal working hours must be approved by the supervisor. Any employee who forgets to clock in or out must immediately notify his supervisor. Missed clock in/out cannot be corrected by the employee. The supervisor must make the correction.

Each full-time non-exempt, hourly, employee is required to take a minimum of a one-half hour unpaid lunch period. Non-exempt, hourly, employees are not allowed to work through lunch and must move away from the work desk and stop all work during the lunch break. All full-time non-exempt, hourly, employees must take a lunch break no later than 6 hours after their shift begins. On any day a full-time non-exempt, hourly, employee is scheduled to work less than 6 hours a lunch break is not required. Part-time non-exempt, hourly, employees working less than six hours a day are not required to take a lunch break. In addition, all employees may take two ten-minute breaks per eight-hour day, one in the morning and the other after lunch. In order to meet the demands of our clients and to best schedule workflow, your manager will establish all breaks and lunch schedules.

BENEFITS AND INSURANCE

COBRA

The Consolidated Budget Reconciliation Act (COBRA) provides certain former employees, retirees, spouses, and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage is lost due to certain specific events. Health coverage can continue for a minimum of 18 months up to a maximum of 36 months.

To be eligible for COBRA continuation coverage, you must have been enrolled in the company’s health plan on the day before the qualifying event occurred and the health plan must continue to be in effect for active employees. COBRA continuation coverage is available upon the occurrence of a qualifying event that would, except for the COBRA



continuation coverage, cause an employee to lose health care coverage. COBRA health care coverage will be that in which the employee was enrolled in on the day before the occurrence of a qualifying event. An employee eligible for COBRA coverage is entitled to the same insurance plans as current employees. Similar to current employees, individuals on COBRA continuation coverage will be subject to the same open enrollment requirements and changes to benefit plans as current employees.

If the employee's group benefits stop due to a qualifying event, a qualified beneficiary may elect to continue coverage. Qualified beneficiaries are given an election period during which each qualified beneficiary may choose whether to elect COBRA coverage. Each qualified beneficiary may independently elect COBRA coverage. A covered employee or the covered employee's spouse may elect COBRA coverage on behalf of all other qualified beneficiaries. Unless otherwise specified, an employee or spouse's election to continue coverage will be considered an election on behalf of all other Qualified Beneficiaries who would also lose coverage because of the same Qualifying Event. A parent or legal guardian may elect on behalf of a minor child.

Qualified beneficiaries are given 60 days for the election. This period is measured from the later of the coverage loss date or the date the COBRA election notice is provided by the employer. The election notice will be provided in person or by first class mail within 14 days after the plan administrator receives notice that a qualifying event has occurred.

The Trade Adjustment Assistance Act of 2002 amended COBRA to provide certain trade affected workers with a second opportunity to elect COBRA continuation coverage. Individuals who are eligible for trade adjustment assistance (TAA) or alternative trade adjustment assistance (ATAA) and who did not elect COBRA during the general election period will get a second election period. This additional, second election period is measured 60 days from the first day of the month in which an individual is determined TAA-eligible. For example, if an individual's general election period runs out and he or she is determined TAA-eligible 61 days after separating from employment, at the beginning of the month, he or she would have approximately 60 more days to elect COBRA. However, if this same individual is not determined TAA-eligible until the end of the month, the 60 days is still measured from the first of the month, in effect giving the individual about 30 days. Additionally, the Trade Act of 2002 added another limit on the second election period. A COBRA election must be made not later than 6 months after the date of the TAA-related loss of coverage. COBRA coverage chosen during the second election period typically begins on the first day of that period.



Coverage will continue as stated below:

- 18 months from the date the Qualified Beneficiary's health coverage stopped due to a Qualifying Event based on employment stopping or work hours being reduced.
- If a Qualified Beneficiary is determined to be disabled by the Social Security Administration at any time during the first 60 days of continued coverage, that Qualified Beneficiary may elect an additional 11 months of coverage under this Plan, subject to the following conditions:
 - (i) The Qualified Beneficiary must provide the Employer with the Social Security Administration's determination of disability within 60 days of the time the determination is made and within the initial 18-month continuation period.
 - (ii) The Qualified Beneficiary must agree to pay any increase in the required payment necessary to continue the coverage for the additional 11 months.
- A covered employee's spouse and dependent children who would lose coverage due to a divorce (or legal separation) may continue their plan coverage for a maximum of 36 months from the date the health coverage would have stopped due to the Qualifying Event.
- As long as the plan remains in effect, until:
 - The date the Qualified Beneficiary fails to make the required payment for the coverage.
 - The date the Qualified Beneficiary becomes entitled to benefits under Medicare.
 - The date the Qualified Beneficiary, after electing this continuation, becomes covered under any other group health plan. (This does not apply if the other group health plan excludes or limits coverage for a Qualified Beneficiary's pre-existing condition.)

If the Qualified Beneficiary is already covered under any other group health plan and elects continuation of health coverage under this plan, the Qualified Beneficiary must stop coverage under that other group health plan. If the Qualified Beneficiary does not stop coverage under that other plan, coverage under this continuation will stop.

If after the first Qualifying Event, another Qualifying Event occurs, coverage can be continued for an additional period; up to 36 months from the date coverage would have stopped as a result of the first Qualifying Event.

If an employee becomes entitled to Medicare within an 18-month continuation period, a covered Dependent may continue coverage for an additional 36 months beginning on the date the employee becomes entitled to Medicare.



Coverage will stop for the same reasons as coverage would have stopped for the first Qualifying Event.

Required Payments

A Qualified Beneficiary has 45 days from the date of election to make the first required payment for the coverage. The first payment will include any required payment for the continued coverage before the date of the election.

Notification Requirements

A Qualified Beneficiary must notify the Employer within 60 days when any of the following Qualifying Events happen:

- The Qualified Beneficiary's marriage is dissolved.
- The Qualified Beneficiary becomes legally separated from his or her spouse.
- A child stops being an eligible Dependent.

The employer will send the appropriate Election Form to the Qualified Beneficiary within 14 days after receiving this notice.

Definitions

QUALIFYING EVENT

A Qualifying Event is any of the following which results in loss of coverage for a Qualified Beneficiary:

- Your employment ends (except in the case of gross misconduct),
- Your work hours are reduced,
- You become entitled to benefits under Medicare,
- Your death,
- Your marriage is dissolved,
- You become legally separated from your spouse, or
- Your dependent child stops being an eligible dependent.

QUALIFIED BENEFICIARY

Any of the following persons who are not entitled to Medicare before a Qualifying Event:

- You, the employee
- Your spouse
- Your former spouse (divorced or legally separated spouse).
- A dependent child (natural or adopted)



- Former employees including retirees

HEALTH BENEFITS ELIGIBILITY

Under the Affordable Care Act, employees who have hours that vary from week to week are considered “variable-hour” employees, not full-time or part-time. All newly hired variable-hour employees will have a 12-month “measurement period” to determine the average number of hours worked per week. If your 12-month average is 30 hours per week or more, you’ll become eligible for On-Target’s health benefits. If your average is less than 30 hours per week, you won’t be eligible for On-Target’s health benefits and will need to find other coverage, such as through a spouse or the Health Insurance Marketplace. The measurement period for all newly hired variable hour employees begins on the first of the month following your date of hire.

ETHICS

ETHICS POLICY

On-Target’s mission is to develop, grow, and expand a company of well-trained, highly motivated, customer service oriented professionals in a creative and productive environment. On-Target is committed to providing quality products and services in an effective and efficient manner that will completely satisfy our clients. Profitable financial results will be achieved through prudent and practical management. Community awareness, support, and enrichment are essential elements of our mission today, tomorrow and in the future.

To meet this mission, all On-Target employees must make sound, ethical business decisions during their workday. The way we treat our customers, suppliers, and co-workers reflects our personal business ethics. All of us should strive to build a reputation based on integrity, honesty and trustworthiness. This procedure is intended to assist in ethical decision-making.

The company is built on the values of Performance, Technology, Client Satisfaction, Communication and Trust. These values define our business ethics and guide how we conduct our business with our customers, suppliers, and each other. They guide our decisions and actions every day at On-Target.



The decisions we make, and the actions we take, establish our reputation with our customers, suppliers and each other. We build our reputation everyday by fulfilling our responsibility in a completely ethical manner. On-Target's reputation for ethical business dealings is established by our actions. All employees, at every level in On-Target, and in every location, must be guided by our values.

Values Totem

The values of *Performance*, *Technology*, *Client Satisfaction*, *Communication* and *Trust* help define the business ethics of On-Target. Understanding these values and how they apply to our individual jobs is the responsibility of each employee. Help and assistance is available from supervisors and managers. The following elaboration of each value is helpful to understanding the values.

Performance

- Supervisors and employees should have an open dialogue to define performance expectations.
- Employees must understand requirements for meeting performance expectations.
- The employee performance evaluation process should be explained and discussed until it is fully understood by all employees.
- All On-Target employees must always assume full accountability for their actions and responsibility for the outcome.
- Supervisors and managers are responsible for ensuring employees are properly trained and have the proper tools to do the job.
- Employees are responsible for doing the job properly once they are trained.
- Supervisors and managers must reach full agreement with customers regarding performance standards. You must know what the customer expects of you and your team, and you must know what the contract between On-Target and the customer requires. Differences must be reconciled, so that both parties define performance in the same way.
- "We Specialize in Professionalism" is an On-Target's motto. We must all take pride in what we do.
- Stay committed to results

Technology

- On-Target values technology for the productivity improvements it can bring to our company.
- On-Target will invest in the technology required to enable employees to perform more efficiently and productively.
- All employees will receive consistent and relevant training in technology as it applies to their job.
- Each employee is responsible for becoming, and remaining, competent in the technology required for his or her specific job.



Client Satisfaction

- Products will be delivered and services will be rendered to customers on a timely basis
- Each employee must understand the requirements of the customer contract and communicate to your manager any and all requests beyond the scope of the contract.
- All employees must be responsive to customer inquiries and requests
- Each customer request will be treated individually with all special requirements communicated and fulfilled
- All employees must respond to changing customer requirements and demands. If the demand cannot be met, a mutually agreeable alternative must be arranged. All alternative agreements must be communicated to affected On-Target employees.

Communication

- All employees must understand the appropriate communications channels of the customer
- All employees must represent On-Target in a courteous manner while in the scope of On-Target business
- All phone calls, e-mails, letters, questions, inquiries from customers, suppliers or employees must be answered in a timely manner
- Employees should communicate openly, honestly, and candidly within their sphere of responsibility
- Each of us should recognize and avoid threatening, intimidating or coercing behavior, or otherwise interfering with the job performance of fellow employees or visitors

Trust

- Supervisors should give recognition and credit when appropriate
- Employees should build trust with co-workers and customers by “doing what they say they will do”
- Employees should stand behind their commitments to customers and each other
- Employees should get to know their co-workers and strive to mutually appreciate each other’s contributions to company success
- All On-Target employees must exercise the basic virtues of respect, dignity, and good manners in all business relations
- All On-Target employees must avoid situations where a conflict of interest might arise. Seek counsel from supervisors, Organizational Development, or management if there are questions about conflict of interest

CODE OF CONDUCT POLICY

The On-Target Code of Conduct is intended to offer guidance to all employees. The following list is not a complete list but includes many areas of day-to-day activity. If questions are not answered here, contact your supervisor, manager, Organizational Development or On-Target’s General Counsel.



- Comply with all federal and state laws and regulations
 - Know the laws and regulations that apply to your job
 - If you aren't sure, ask your supervisor
 - Report violations
- Report all illegal or questionable activity to your supervisor
- Compliance with the Alcohol and Drug Free Workplace Policy is a condition of employment
 - Do not use illegal drugs
 - Do not abuse alcohol, inhalants, or prescription drugs
 - Violations may result in termination
- Dress in accordance with the On-Target Dress Code Policy as expressed in this Organizational Guide
 - At On-Target offices:
 - Traditional business dress is required Monday through Thursday
 - Business Casual is allowed on Friday
 - Summer dress policy between Memorial Day and Labor Day
 - At On-Target warehouses:
 - Standard Uniform is required at all times
 - At customer sites:
 - Standard Uniform is required at all times
 - Drivers:
 - Standard Uniform is required at all times
- Be prompt and reliable
 - Report to work on time
 - Be prompt for meetings and business appointments
 - Call ahead when you will be absent or late
- Avoid offensive behavior and language. Behavior and language must not reflect any form of violent, discriminatory, abusive, offensive, demeaning, or otherwise unprofessional message.
- Smoking Policy
 - On-Target is a smoke free environment
 - Smoke only in designated areas outside the building
 - No smoking in any company vehicle
 - Know and observe customer's smoking policy while on their premises
- Understand and follow On-Target's Harassment Policy
 - Do not make jokes or derogatory comments about anyone's race, age, religion, culture or sexual orientation
 - Do not make sexually suggestive comments or gestures



- Do not harass co-workers in any way
- **Maintain Confidentiality**
 - As an employee you may occasionally be in receipt of confidential and proprietary information of On-Target Supplies & Logistics, Ltd. and its affiliate companies. Misuse or unauthorized disclosure of confidential information not otherwise available to persons or firms outside On-Target is cause for disciplinary action, up to and including termination.
- **Gift giving and receiving**
 - Allowable business gifts, when appropriate, include
 - coffee cups, calendars, caps, pens, pencils and other
 - inexpensive items with the company logo
 - No business gift, given or received, should exceed \$50 in value. Exceptions to this general rule are governed by the Executive Team
- **Use of Company Property**
 - All company property is intended for business use. Occasional use of copiers, computers, vehicles, or other property may be appropriate in some cases. Always get prior approval from your supervisor.
- **Telephone Usage**
 - All company telephones are for company business. Occasional personal calls are allowed, but must be brief and few in number. No personal long distance calls should be made from company phones.
- **Internet usage at work is intended for business purposes**
 - Occasional use, which does not interfere with business, and is short in duration, may be allowed. Check with your supervisor.
 - Accessing web sites for pornography, game playing or gambling is never allowed.
 - On-Target reserves the right to monitor internet usage
- **Conflict of Interest**
 - No employee shall have any personal financial interest in any contract, purchase, sale or service between On-Target and any person or company
 - No employee may work for a competitor while employed by On-Target
 - No employee may use his or her position as an employee of On-Target for personal financial gain outside the company
 - No employee may use information learned as an employee of On-Target for personal financial gain outside the company
 - All employees should avoid the appearance of a conflict of interest
 - No employee shall serve as a board member of a non-profit or for-profit organization without prior disclosure to and approval of On-Target's executive management



- **Personal Relationships**
 - Close personal relationships between a supervisor and someone they supervise, directly or indirectly should be avoided. Supervisors should not date or have personal contact which might lead to a close personal relationship, with anyone they supervise.
- **Solicitations on Company Property**
 - Solicitations for any purpose are not allowed without prior approval from your manager/supervisor. Employees working at a customer location must strictly adhere to the customer's policy.
- **Obligating the company**
 - Only certain employees are authorized to contractually obligate On-Target. Know your authority level.
- **Expense Reporting**
 - All expenses must be for the benefit of On-Target
 - All expenses must be reasonable and appropriate
 - All expenses must be accurately reported
- **Public Relations**
 - Calls regarding public statements from the company should be forwarded to a member of the Executive Team

Another useful tool to help make ethical decisions is the Ethics Quick Test. This tool asks several questions, which may help, guide you to a proper decision.

Ethics Quick Test*

- Is the action legal?
- Does it comply with our values?
- If you do it, will you feel bad?
- How will it look in the newspaper?
- If you know it's wrong, don't do it!
- If you're not sure ask!
- Keep asking until you get an answer!

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ACKNOWLEDGMENT OF RECEIPT OF ORGANIZATIONAL GUIDE

I, _____ the undersigned affirm that I have received a copy of the Company's Organizational Guide and that I am responsible for reading the entire guide. I also understand that it is my responsibility to comply with the policies contained in this guide. Furthermore, I should consult with a member of management concerning any questions about the policies contained herein or questions not addressed in the Guide.

I also understand that, from time to time, changes to the handbook will be made and that all such changes will generally be communicated through official notices, and I understand that revised information will supersede existing policies.

Date

Signature

Printed name

