



PAX Technology, Inc. Employee Handbook

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TABLE OF CONTENTS

WELCOME TO PAX.....4

WELCOME TO PAX.....	4
HANDBOOK INTRODUCTION	6
COMPANY HISTORY	7
MISSION	8
GOALS, VALUES AND BELIEFS	8
CLIENT RELATIONS.....	9

GENERAL EMPLOYMENT POLICIES 10

OPEN DOOR POLICY.....	11
EQUAL EMPLOYMENT OPPORTUNITY	11
ANTI-HARASSMENT.....	12
AFFIRMATIVE ACTION	13
BUSINESS ETHICS AND CONDUCT	14
Corrupt Practices and Anti-Bribery.....	14
WHISTLEBLOWER PROTECTION.....	14
RELATIVES AND PERSONAL RELATIONSHIPS.....	15
IMMIGRATION LAW COMPLIANCE	16
CONFLICTS OF INTEREST	16
OUTSIDE EMPLOYMENT	16
NON-DISCLOSURE	17
HIPAA COMPLIANCE.....	17
FACTA COMPLIANCE	18
DISABILITY ACCOMMODATION (ADA)	18
CORPORATE COMMUNICATIONS & MEETINGS.....	19
REHIRE POLICY	19

COMPANY POLICIES & PRACTICES..... 20

EMPLOYMENT CLASSIFICATIONS	21
PERSONNEL RECORDS.....	22
EMPLOYMENT VERIFICATIONS	22
PERSONAL INFORMATION CHANGES	22
EMPLOYMENT APPLICATIONS.....	22

EMPLOYEE BENEFIT PROGRAMS..... 23

BENEFITS OVERVIEW	24
COMPANY PAID HOLIDAYS	24
WORKERS' COMPENSATION INSURANCE	25
TIME OFF TO VOTE	26

BEREAVEMENT LEAVE.....	26
JURY DUTY	27
WITNESS DUTY.....	27
PAID TIME OFF (PTO).....	28
EDUCATIONAL ASSISTANCE	29
CERTIFICATION INCENTIVE PROGRAM.....	30
MEDICAL AND INSURANCE BENEFITS.....	30
401(K) RETIREMENT PLAN BENEFIT.....	30
EMPLOYEE REFERRAL BONUS PLAN.....	30
BENEFITS CONTINUATION (COBRA).....	31
FEDERAL AND STATE EMPLOYMENT BENEFITS	31

PAYROLL POLICIES & PRACTICES **32**

PAYDAYS	33
PAY.....	33
EMPLOYMENT TERMINATION.....	34
PAY ADVANCES	35
PAY DEDUCTIONS AND SETOFFS.....	35

WORKING CONDITIONS..... **36**

SAFETY.....	37
WORK SCHEDULES.....	37
BREAKS	38
MEAL BREAK PERIODS	38
USE OF PHONE AND MAIL SYSTEMS	38
USE OF COMPANY EQUIPMENT	39
EMERGENCY CLOSINGS & EVACUATIONS.....	39
BUSINESS TRAVEL & EXPENSES POLICY.....	40
VISITORS IN THE WORKPLACE	45
COMPUTER, SOFTWARE, INTERNET AND E-MAIL USAGE	45
SOCIAL NETWORKING	50
WORKPLACE MONITORING	51
SECURITY INSPECTIONS	52
WORKPLACE VIOLENCE PREVENTION	52

LEAVE OF ABSENCE **54**

UNPAID LEAVE OF ABSENCE	55
FAMILY AND MEDICAL LEAVE (FMLA).....	55
MILITARY LEAVE.....	62

EMPLOYEE CONDUCT POLICIES..... **64**

STANDARDS OF CONDUCT	65
DRUG AND ALCOHOL USE	66
SMOKE-FREE WORKPLACE	67
ATTENDANCE AND PUNCTUALITY.....	68

PERSONAL APPEARANCE.....	68
RESIGNATION.....	69
SOLICITATION AND DISTRIBUTION	70
DISCIPLINARY ACTION	70
ACCESS	71
WORKPLACE ETIQUETTE.....	71
WEAPONS.....	72
FACILITIES & SAFETY.....	73

STATE SPECIFIC PROVISIONS..... 75

MEDICAL LEAVE IN CALIFORNIA.....	75
PAID FAMILY LEAVE (PFL) IN CALIFORNIA	75
PREGNANCY DISABILITY LEAVE (PDL) IN CALIFORNIA	75
TIME OFF TO ATTEND JUDICIAL PROCEEDINGS IN CALIFORNIA	76
SCHOOL OR DAY CARE ACTIVITIES IN CALIFORNIA.....	76
CHILD'S SUSPENSION IN CALIFORNIA.....	76
CRIME OR DOMESTIC VIOLENCE VICTIMS TIME OFF IN CALIFORNIA	76
PAID LEAVE FOR ORGAN OR BONE MARROW DONORS IN CALIFORNIA	77
CIVIL AIR PROTROL LEAVE IN CALIFORNIA	77
MEAL AND REST BREAKS IN CALIFORNIA	78
PTO IN CALIFORNIA.....	79
SICK LEAVE PAY IN CALIFORNIA OR ARIZONA.....	79
PAID FAMILY LEAVE (PDL) IN NEW JERSEY	79
EMPLOYEES IN OTHER STATES OR LOCATIONS.....	80
STATE DISABILITY INSURANCE	80

HANDBOOK ACKNOWLEDGMENT FORM..... 81

***Welcome and thank you for joining
PAX Technology!***

Dear Employee:

It is our pleasure to welcome you to PAX Technology team! Whether you are a new employee or a current employee, the value of your contribution to our mutual success cannot be overstated. First off, we want to pass along a tremendous Thank You for your choice to join PAX! We asked you to join our team because of your personal commitment to excellence in your field and your potential to be a great fit within our culture and value system. We trust that you will bring that excellence in the execution of your job responsibilities and treat PAX as your own.

Cooperation with your fellow employees and having a “can-do” attitude is key in doing what needs to be done to make champions out of our internal and external clients. As with all endeavors worth doing, as the responsibilities and successes increase, so do the rewards. To reach those goals and rewards you need to clearly understand the terms and conditions of your employment and it is with this in mind that we supply you with this Employee Handbook.

We encourage you to share ways that we can improve PAX and achieve our collective mission and vision together through the execution of our value system. We are confident that when you operate in accordance with these values that you will find your experience at PAX to be both rewarding and an exciting opportunity for professional growth.

Welcome to Our Team!

Andy Chau
CEO

DISCLAIMER

DUE TO OUR CHANGING OPERATIONAL NEEDS, THIS HANDBOOK SHOULD NOT BE CONSIDERED ALL-INCLUSIVE. IT OFFERS GENERAL GUIDELINES ONLY, AND IS NOT A CONTRACT, EXPRESSED OR IMPLIED. THE EMPLOYMENT RELATIONSHIP BETWEEN YOU AND OUR COMPANY IS "AT WILL" AND CAN BE TERMINATED BY EITHER YOU OR THE COMPANY AT ANY TIME FOR ANY REASON WITH OR WITHOUT NOTICE. THE COMPANY MAY, IN ITS SOLE DISCRETION, INTERPRET, REVISE, MODIFY OR VARY FROM ANYTHING STATED IN THIS HANDBOOK, EXCEPT FOR THE POLICY OF EMPLOYMENT AT-WILL, WHICH MAY NOT BE MODIFIED EXCEPT IN WRITING SIGNED BY THE CEO OF THE COMPANY AND YOU. THIS HANDBOOK REPLACES AND SUPERSEDES ANY PRIOR POLICIES OR GUIDELINES ON THE SAME TOPICS COVERED BY THIS HANDBOOK. NO REPRESENTATION MADE BY A MANAGEMENT REPRESENTATIVE, AT THE TIME OF HIRE OR SUBSEQUENTLY, MAY BE INTERPRETED AS A CONTRACT BETWEEN THE COMPANY AND ANY OF ITS EMPLOYEES. WE WILL DO OUR BEST TO KEEP YOU INFORMED OF ANY CHANGES THAT MAY AFFECT YOU.

Handbook Introduction

This Employee Handbook describes the employment policies applicable to all Exempt and Non-Exempt employees and locations. This Handbook covers all employees, directors, officers, and contractors of PAX Technology, Inc. (Company) and any subsidiary companies. As noted previously, this Handbook is a guide only, and is not intended to be a contract of employment, expressed or implied. Although we hope your employment relationship will be long-term, employment with PAX is not for a guaranteed or set term, and either you or the Company may terminate the employment relationship at any time, for any reason. This relationship often referred to as "at will" employment, may not be changed by anyone except the CEO of the Company, who may only do so in writing.

You should read and understand all provisions of the handbook. It describes many of your responsibilities as an employee and what you can expect from us as an employer. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As PAX continues to grow and, as business needs, employment legislation and economic conditions change, the Company may revise, supplement, or rescind any policies or portion of the handbook.

To assist PAX, Flex HR, Inc. is identified as our outsourced Human Resources support team. In this Handbook Flex HR will also be referred to as your "HR Department or Human Resources." At any time, you may seek assistance, advice and guidance from our Human Resources group at:

<u>AskHR@FlexHR.com</u>	Flex HR Employee HR Department
770.814.4225	Flex HR Local Phone Number
1-877-735-3947	Flex HR Toll Free Number
770-814-4123	Flex HR Fax Number

The Company provides an **Employee Website (Human Resources Center)** to help facilitate communication of important information between the Company and employees. Timely information including the most current copy of the Company Employee Handbook, personnel policies, procedures, and benefits will also be posted on the employee website.

The Employee Website and confidential employee login information is:

Employee web site: pax.flexhr.com

Login: pax

Password: employee

Should there be any discrepancy between this handbook and any underlying benefit plan, policy or procedure, the plan, policy or procedure shall govern. Further, as this handbook is intended to provide guidance at all locations, state or local law will govern in the event of a conflict. This Handbook supersedes all other Handbooks previously published by PAX Corporation or any of its subsidiary companies.

Company History

History

PAX Technology, Inc. was founded in 2001. PAX first focused on the China market and today is China's undisputed market leader. This success fueled expansion into the international markets in 2008.

PAX is one of the fastest growing POS manufacturers and is now positioned as a major global player. PAX has worldwide sales, a growing network of channel partners, and annual revenues which almost double each year. Proceeds from sales and the listing on the Hong Kong stock exchange in 2010, have powered international expansion as well as Research and Development investments into long-term product solutions focused on EMV and Contactless.

Superior Quality Solutions

PAX manufactures countertop and mobile POS terminals, high-security PIN pads, and contactless card readers. We take great pride in our product design, with input coming from customers worldwide and high-tech design consultancies in the United States, Europe and Asia. Our manufacturing process is Japanese controlled at state-of-the-art factories in China.

We provide terminal management systems and software development tools for channel partners and resellers who wish to write secure payment and value-added software applications. PAX has a large software engineering division, able to quickly and cost-effectively develop any application required globally.

International Certifications

PAX products are certified and kept up to date with all international standards such as EMVCo, RoHS, PCI and ISO quality management systems.

Europe, Middle East, Africa

PAX decided to approach the EMEA markets by first focusing on the non-banking segments, by successfully deploying tens of thousands of terminals in countries as diverse as France and Saudi Arabia, primarily with mobile prepaid top up and loyalty solutions.

With the subsequent launch of the PCI compliant S-Series, PAX has established itself as a market leader, with sales of over 200,000 terminals in the EMEA region alone during 2010-2011. Customers continue to certify and deploy PAX terminals across Scandinavia, Eastern Europe, Balkans, Mediterranean countries, Southern Africa, West Africa, the Middle East and Gulf countries.

The Americas Market

PAX entered the United States market in 2008. This represents a long-term, multi-million-dollar commitment. Beside North America, PAX is also growing its channel partner network across Central and South America. PAX has most recently begun direct operations in Brazil.

The Asian Market

PAX remains the undisputed dominant supplier in China and is a top supplier in surrounding Asian countries.

Mission

Our mission is to become one of the top tier providers of payment terminals in the United States by delivering innovative, secure and reliable solutions to our customers. To do this, PAX will lead the way in re-evaluating the legacy model as to how terminals could be more effectively programmed, deployed, interfaced, and updated.

Goals, Values and Beliefs

Our goal at PAX is simple: extraordinary product quality and customer service. We accomplish this by observing a common set of values and by partnering with organizations that have the finest reputation for quality. There are no shortcuts; we believe that our goals are accomplished only with a real commitment from every employee.

Our values and beliefs require that we:

- Treat every employee and colleague with respect; PAX does not tolerate discrimination of any kind.
- Encourage all managers and supervisors to involve employees in creative problem solving.
- Provide consistent leadership and competent on-the-job training.
- Maintain an open-door policy that encourages interaction and discussion
- Encourage ideas to improve the workplace and to increase productivity.
- Provide effective and efficient corrective action to resolve customer service issues and ensure complete customer satisfaction.
- Deliver competitive, outstanding service to our customers and partner with vendors who share that goal.
- Make "Do It Right the First Time" our team attitude to ensure continued growth and prosperity.

Client Relations

External Clients

Without our Clients we could not exist. Every employee represents the Company to current and potential clients and the public. The way we do our jobs presents an image of our entire organization. Clients judge all of us by how they are treated with each employee contact. Therefore, our first business priority is to assist any customer or potential client. Always be courteous, friendly, helpful, and prompt in the attention you give to Clients.

Our personal contact with the public, our Clients, our manners on the telephone, and the communications we send to client are a reflection not only of ourselves, but also of the entire Company. Positive customer relations not only enhance the perception or image of the Company, but also pay off in greater customer satisfaction, opportunities for new customer referrals, profit and job security.

Internal Clients

The Company believes in harmonious working relationships. The Company needs your help in making each workday enjoyable and rewarding. Your first responsibility is to know your duties and to perform them promptly, accurately, and pleasantly. You are, of course, expected to cooperate with management and your fellow team members and to maintain a good team attitude.

GENERAL EMPLOYMENT POLICIES

Open Door Policy

Anytime people work together, dissatisfactions and misunderstandings may occur. Someone may feel that he/she has not been treated fairly or believes that a mistake has been made in the administration of a benefit or rule.

If there is anything about your job that concerns you, let's get it out in the open and talk about it. Discuss it frankly with us and we'll do everything we can to help you to a conclusion. You can be sure that your complaint will be handled in an open and fair manner. Steps that you may take in resolving a concern are:

- 1. First, take up the concern with your immediate supervisor. Most difficulties can be resolved in this step.*
- 2. If there still is any confusion or question, or concern going to your supervisor, you may take the concern to the next level of management, or the CEO.*
- 3. At any time, you may take your concern to Human Resources.*
- 4. Send email or Call our Ethics Hotline at askhr@FlexHR.com or 770.814.4225*

We are anxious to hear from you on any subject. You do not have to have a concern to be heard. As a member of our team, we want you to have every opportunity to discuss your thoughts or ideas freely, and for you to feel that you are being treated fairly.

Your relationship with the Company will not be jeopardized as a result of using these procedures in good faith. Our sincere desire is to maintain open channels of communication that will promote a harmonious and productive work environment.

Equal Employment Opportunity

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at PAX are based on merit, qualifications, and abilities. The Company does not discriminate on the basis of race, color, creed, religion, sex, national origin, age, citizenship, veteran status, disability, or any other characteristic protected by federal or state law.

PAX will make reasonable accommodations for qualified individuals with known disabilities, unless doing so would result in an undue hardship. This policy governs all aspects of employment.

At PAX, equal employment is not only a legal commitment; it is a moral commitment as well. If you have questions or concerns about any type of discrimination in the workplace, you are encouraged to bring these questions or issues to the attention of your supervisor, his or her manager or Human Resources. If you wish to remain anonymous or want a different means to contact the appropriate person, you may communicate your concern through our Employee Compliance Hotline via Flex HR at 770.814.4225.

The Company will investigate and attempt to resolve the matter. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

Anti-Harassment

Sexual and other types of harassment is illegal under federal, state and local laws, including without limitation the federal Equal Employment Opportunity Commission Guidelines and other federal, state and local laws. Examples of Harassment are as follows:

- Sexual advances
- Requests for sexual favors
- Other verbal or physical conduct of a sexual nature when:
 - Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
 - Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; *or*
 - Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may also be comprised of a range of subtle and not so subtle behaviors involving individuals of the same or opposite sex. Behaviors that may cause or contribute to a sexually harassing work environment include, but are not limited to: unwanted sexual advances or requests for sexual favors; unwelcome sexual jokes and innuendo; verbal abuse of a sexual nature; unwelcome commentary about an individual's body, sexual prowess, or sexual deficiencies; unwanted touching; insulting or obscene comments or gestures; display in the workplace of sexually suggestive objects or pictures; and other physical, verbal, or visual conduct of a sexual nature.

Anti-Bullying is defined under the law as unwelcome or unreasonable behavior that demeans, intimidates or humiliates people either as individuals or as a group. Bullying behavior is often persistent and part of a pattern, but it can also occur as a single incident. It is usually carried out by an individual but can also be an aspect of group behavior known as mobbing.

PAX is committed to providing all employees a healthy and safe work environment and will not tolerate any type of bullying in the workplace. Samples but not an exhausted list of bullying are:

- Abusive and offensive language
- Insults
- Teasing
- Spreading rumor or innuendo(s)
- Unreasonable criticism
- Isolating from normal work interaction
- Excessive demands
- Setting impossible deadlines

- Unfair blame
- Jokes
- Excessive supervision

Other Prohibited Harassment on the basis of other Protected Characteristics is also strictly prohibited. Under this policy, prohibited conduct includes, but is not limited to:

- Nicknames not accepted by any employee
- Slurs
- Negative stereotyping
- Bullying
- Threatening
- Intimidating
- Hostile acts
- Denigrating jokes
- Written or graphic material that denigrates or shows hostility or aversion toward an individual or group and that is placed on walls or elsewhere on the employee's premises or circulated in the workplace in any manner.

Individuals Covered. Anti-harassment policies apply to all applicants and current employees, as well as to individual employees that may come into contact within the course of their employment who are not employees of PAX, such as outside vendors, consultants, or clients. Employees are encouraged to remind all vendors and consultants under their supervision that they must comply with all Company conduct policies.

This policy applies on Company property, as well as in any work-related setting, such as off-site business meetings, during business trips, Company-approved and hosted social events and during all work-related communication including without limitation telephone calls, voice mails, text messages, and e-mail communications. Conduct that occurs at informal gatherings of employees that are not Company sponsored or approved may also be subject to this policy.

Affirmative Actions

In addition to PAX policy on Equal Employment Opportunity, the Company also adopts a policy on affirmative action. In accordance with applicable federal, state and local law, PAX is committed to ensuring that its hiring decisions are made from an applicant pool, which reflects the diversity of the communities represented and served by the Company. To the extent required by law, PAX will take affirmative steps to promote the inclusion of women, minorities, disabled individuals, Vietnam Era Veterans, disabled veterans any other acknowledged group in its applicant pool. In addition, the Company is committed to encouraging the full and equal participation of such persons in all aspects and levels of the Company.

Business Ethics and Conduct

The success and reputation of the Company are built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. Compliance with business ethics and conduct is the responsibility of every Company employee.

PAX will comply with applicable laws and regulations and expects its partners, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws, and to refrain from any illegal, dishonest, or unethical conduct.

Corrupt Practices and Anti-Bribery

PAX Technology and its respective directors, officers, managers, employees, independent contractors, representatives or agents) shall not promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA")), in each case, in violation of the FCPA, the U.K. Bribery Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related implementing legislation, the anti-bribery related provisions in the criminal and anti unfair competition laws of The People's Republic of China, and each other law in a jurisdiction applicable to PAX Technology that relates to bribery, improper competition or other matters including corruption (collectively, the "Anti-Bribery Laws"). PAX Technology shall (and shall cause each of its Subsidiaries and affiliates to) maintain systems of internal controls (including accounting systems, purchasing systems and billing systems) to ensure compliance with any Anti-Bribery Law.

Whistleblower Protection

This policy is designed to protect employees and address PAX commitment to integrity and ethical behavior. In accordance with Whistleblower Protection regulations, PAX will not tolerate harassment, retaliation, or any type of discrimination against an employee who:

- Makes a good faith complaint regarding suspected Company or employee violations of the law;
- Makes a good faith complaint regarding accounting, internal accounting controls, or auditing matters that may lead to incorrect, or misrepresentations in, financial accounting;
- Provides information to assist in an investigation regarding violations of the law; or
- Files, testifies, or participates in a proceeding in relation to alleged violations of the law.

Negative employment sanctions, such as demotion or termination, as a result of an employee's decision to provide good-faith information regarding violations of the law, will not be tolerated. In addition, discrimination, threats, and harassment is prohibited.

Anyone violating this policy will be subject to discipline, up to and including immediate termination of employment.

Relatives and Personal Relationships

The Company recognizes that close personal relationships may exist in the workplace. These relationships may include, but are not limited to, consensual relationships and immediate family members. Such relationships cannot be tolerated when they adversely affect the workplace causing unnecessary tension, strain, favoritism, or other morale problems.

Examples of what may be considered an adverse effect include, but not limited to:

- A personal relationship between a supervisor and a subordinate; or
- Unreasonably interfering with work performance or ability to conduct oneself in a professional or business-like manner; or
- Unreasonably interfering or affecting the work environment of other employees; or
- Creating a conflict of interest; or
- Situations that could potentially result in a claim of unlawful discrimination, harassment or retaliation.

A relative is defined as any person who is related by blood or marriage. A dating relationship is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" relationship. This policy applies to employees without regard to the gender or sexual orientation of the individuals involved.

Unless approved by the CEO in advance, relatives of current employees may not work for the Company. Individuals involved in a dating relationship with a current employee may also not occupy a position that will involve working directly for or supervising the employee with whom they are involved in a dating relationship.

If a relative relationship or dating relationship is established after employment, it is the responsibility and obligation of the employee to disclose the relationship to the immediate manager in writing, who must then disclose the existence of the relationship to Human Resources or management.

PAX will make employment decisions as necessary to avoid an adverse effect on the Company, its employees, its working environment or its client. Such action may include the transfer or termination of an employee.

In cases where a conflict, or the potential for conflict, arises because of the relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment or terminated from employment if deemed appropriate by management.

Immigration Law Compliance Actions

The Company is committed to employing only United States citizens and aliens who are authorized to work in the United States. We do not discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. If you, at any time, cannot verify your right to work in the United States, the Company may be obliged to terminate your employment. PAX is an E-Verify company and will E-Verify all new hires.

Former employees who are rehired must also complete the form if they have not completed an I-9 with the Company within the past three (3) years, or if their previous I-9 is no longer retained or valid. Recertification will also be required when work authorization documents expire.

Employees with questions, or seeking more information on immigration law issues, are encouraged to contact management. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

Conflicts of Interest

Each of us has an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. You should not have, either directly or indirectly, any financial or other interest in any entity that is a supplier, client or competitor of the Company. Your outside employment or personal service to any other entity must not affect your work efficiency or ability to act in the best interests of the Company.

Outside Employment

Employees may hold outside jobs as long as the employee gets approval from their supervisor and the Human Resources prior to accepting outside employment. You may hold outside jobs as long as you meet the performance standards of your job with the Company. Employees will be judged by the same performance standards, and will be subject to the Company's scheduling demands, regardless of any existing outside work requirements. Except as otherwise prohibited by State law, full-time employees may not hold other full-time employment outside the company without the CEO's prior approval.

If PAX determines that your outside work interferes with your performance, or the ability to meet your work requirements of the Company, you may be asked to terminate the outside employment if you wish to remain with PAX. In any case other employment may not be in any business that engages directly or indirectly in PAX's line of business.

Outside employment that constitutes a conflict of interest is prohibited. You may not receive any income or material gain from individuals outside the Company for materials produced, or services rendered, while performing your job at PAX.

Non-Disclosure

All information regarding PAX, its clients, suppliers, vendors, products and operations is to be held in the strictest confidence. The Company may require you to sign Agreements as a condition of continued employment (currently a Confidentiality and Non-solicitation Agreement) and maintain signed copies. Under this policy, you cannot use or disclose business or customer information that is not generally available to the public, either during employment or after separation of service from the Company.

Any information learned or developed during the course of work is the property of PAX and is to be used solely for the benefit of the Company and its client.

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

- Financial Data
- Client Files
- Competitor Information
- Computer Programs and Codes
- Customer Information
- Corporate Financial Information
- Cost of Services
- Health Information of Anyone (HIPAA)
- Information on Identity of Anyone (FACTA)
- Legal Affairs
- Marketing Strategies
- Material Pricing Information
- New Materials Research
- Pending Projects and Proposals
- Pricing
- Proprietary Processes
- Research and Development Strategies
- Revenues, Profit or Costs
- Sales Projects or Reports
- Technological Data
- Trade Secrets
- Vendor Information
- Any other information which you have reason to believe is confidential or may bring embarrassment or disrepute to the Company

HIPAA Compliance (Health Insurance Portability and Accountability Act)

The Company will take necessary action to maintain policies and procedures concerning privacy of, and access to, employee protected health information. The Director of Finance is the PHI (Protected Health Information) privacy program manager. Please notify that person if you are concerned about compromised information.

Company operations, including interactions with clients, our internal functions and our IT services, are set up to protect the confidentiality and security of all personal information, including PHI. From time-to-time you may obtain knowledge of clients and other individuals medical information (to include other employees). That information must be kept confidential and provided to only those who have a need to know.

All employees as a condition of employment must sign the acknowledge receipt of a HIPAA Policy provided to them.

FACTA Compliance (Fair and Accurate Credit Reporting Act)

The Company will take necessary action to maintain policies and procedures concerning privacy of, and access to, protected personal information. If you obtain, by any means, information about another individual's identity, you are to keep it confidential, and if necessary, only provide the information to those who need to know, such as the immediate supervisor. The information that is considered confidential are items such as SSN's, Credit Card Numbers, Drivers Licenses, Maiden Names, Employees and other Individuals Personal Information, Bank Account Numbers, Medical documentation, and other such information. The Director of Finance is the FACTA privacy program manager. Please notify that person if you are concerned about compromised information. You can be sued individually if you disseminate identity information inappropriately. This information should be kept confidential and not be shared, given sold, transferred to anyone who does not need to know this information. You also may be disciplined to include immediate dismissal.

Disability Accommodation (ADA)

PAX is committed to complying fully with the Americans with Disabilities Act ("ADA") and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual. Moreover, the Company will not discriminate against any qualified employee or applicant because he or she is related to or employed with a person with a disability

If applicant or employee needs to request a reasonable accommodation because of a disability, he or she should contact his or her immediate supervisor. The request needs to be in writing indicating what reasonable accommodation is needed to perform the essential functions of their job.

PAX is also committed to not discriminating against any qualified employees or applicants because they are related to, or employed with, a person with a disability. The Company will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. PAX is committed to taking other actions

necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

Corporate Communications & Meetings

The success of PAX depends on the relationship between the Company, our employees, clients, suppliers and the general public. Public affairs and Company communications are the responsibility of the executive management. Should you receive a call from any publication, newspaper, government agency or other external media asking for a statement on behalf of the Company, thank the caller for their interest in PAX, communicate the Company policy regarding inquiries, and refer them to the CEO.

Communicating promises for working conditions, compensation, benefits, of any level of commitment is strictly prohibited by managers or employees to other employees or candidates seeking employment. That includes both oral or written promises. Only Human Resources and the CEO may commit to this type of commitments and it should be in writing and signed by either Human Resources or the CEO only.

On occasion, we may request that you attend a mandatory Company-sponsored meeting. If this is scheduled during your regular working hours, your attendance is required. If you are a non-exempt employee, and attend a mandatory meeting held during your non-working hours, you will be paid for the time you spend traveling to and from the meeting, only as it would relate to normal commuting, as well as, time spent at the meeting.

Rehire Policy

PAX may consider a former employee for reemployment. Such applicants are subject to the Company's usual pre-employment and selection procedures. If within sixty (60) days from termination date a full background may not be required. To be considered, a former employee must have been in good standing at the time of separation from PAX. All rehires will be approved by the CEO prior to bringing them on board.

COMPANY POLICIES & PRACTICES

Employment Classifications

It is the intent of PAX to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility.

This Handbook is for all Exempt and Non-Exempt employees. Each employee is designated as either Non-Exempt or Exempt from federal and state wage and hour laws. Non-exempt employees are entitled to overtime pay under the specific provisions of federal and state laws. Exempt employees receive a fixed salary designed to compensate them for all hours worked. Exempt employees therefore do not receive additional compensation for overtime work. An employee's Exempt or Non-Exempt classification may be changed only upon approval of Senior Management. In addition to the above designation, each employee belongs to one of the following employment classifications:

REGULAR FULL-TIME employees are those who are not in a temporary status and who are regularly scheduled to work PAX's full-time schedule. Regular full-time employees typically are scheduled to work 40 hours per week, but normally be scheduled to work *at least* 30 hours per week. They are eligible to participate in the Company's benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME employees are those who are not assigned to a temporary status and who are regularly scheduled to work at fewer than 30 hours per week. Regular part-time employees are eligible to participate in some Company's benefits, subject to the terms, conditions, and limitations of each benefit program or described herein.

TEMPORARY employees are those who are hired as, interns, interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible to participate in PAX's other benefit programs.

CONTRACTORS are individuals who are working for PAX under a contract through an external company. Contractors are not employees of PAX and are not eligible for any PAX sponsored benefit plans. They are not considered employees of the company for any reason.

Personnel Records

Your Personnel File

To help you receive proper benefits and timely notices, we keep detailed records concerning your employment. These records contain such vital data as your home address, telephone number, dependents, marital status and insurance beneficiary. So that you may take advantage of all the benefits due you and to comply with government requirements, the Company must keep them up-to-date. Therefore, it is important that you notify us of any changes.

Employment Verifications

Only specifically Company-designated representatives will respond to reference check inquiries from other employers or financial institutions. Responses to such inquiries will confirm dates of employment and last position held. Except as otherwise deemed necessary by PAX, or as required by law, salary and all other employment data is confidential and generally will not be released without your written authorization. Any requests regarding past or present employees must be directed to management. The Company will not provide recommendation letters.

Personal Information Changes

Current personal information is important and can affect timely and accurate processing of pay, tax withholding, benefits and Company communications. You are responsible for promptly notifying the Company when there are changes in your name, address, telephone number, marital status, beneficiaries, dependents, Direct Deposit info for your payroll and scholastic achievements. For benefit plan purposes, you are required to notify the Company of family status changes within thirty (30) days of an event that causes you to acquire or lose dependents.

Employment Applications

PAX relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the exclusion of the individual from further consideration for employment or, if the person has been hired, discipline up to and including immediate termination of employment.

EMPLOYEE BENEFIT PROGRAMS

Benefits Overview

Eligible employees at PAX are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, and unemployment insurance) cover employees in the manner prescribed by law. Benefits eligibility depends upon a variety of factors, including employee classification (as described in the employment classification section).

Management can help you determine eligibility for benefit programs.

Beyond welfare plans other benefit programs are available to eligible employees as follows and outlined further in this handbook:

- Bereavement Leave
- Company Paid Holidays
- Jury Duty Leave
- Military Leave (Leave Section)
- Paid Time Off (PTO)
- Social Security
- Unemployment Insurance
- Voting Time Off
- Witness Duty Leave
- Medical and other Insurance Benefits
- 401 (K) Retirement
- Worker Compensation Insurance
- COBRA
- FMLA

Some benefit programs require contributions from the employee, but others are partially or fully paid by the Company.

Company Paid Holidays

The company provides Regular Full-time employees up to eight (8) paid holidays that are typically:

- New Year's Day
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving
- Friday after Thanksgiving
- Christmas Eve
- Christmas Day
- Your Birthday Off

The Holidays for the current year will be posted on the Employee Website and may be adjusted based on the calendar and how days fall in the work week.

Typically, holidays that fall on a Sunday will be observed the following Monday. Holidays that fall on a Saturday will be observed at the Company's discretion on the Friday preceding or the Monday following the holiday or as otherwise designated by common business practice.

Birthday Day Off Day with pay is for Regular Full-time Employees. You do not need to take the exact day off but must take a day off in your birthday week. The week is defined as Saturday through Friday. If you do not take it off it will be forfeited. Happy Birthday!

We will grant paid holiday time off to all eligible regular, full-time employees immediately upon assignment to an eligible employment classification. For Regular Full-Time, Non-Exempt employees, holiday pay will be calculated based on your straight-time pay rate (as of the date of the holiday) times eight (8) hours. Regular Full-Time, Non-exempt employees who are asked to work on a holiday will receive pay for the holiday plus time and one half for the hours worked that day. Regular Part-time employees will receive 4 hours holiday pay.

To be eligible for holiday pay, you must work the last scheduled day immediately preceding and the first scheduled day immediately following the holiday, unless Personal Time Off (PTO) time is requested and approved in advance.

If a Company holiday occurs during your scheduled vacation, holiday pay will be provided instead of being charged to your PTO balance.

Holiday pay will not be counted as hours worked for the purposes of determining overtime. Employees on any type of leave of absence, or receiving disability pay, are not eligible for holiday pay. Exempt employees who work a holiday will be authorized another day off preferably within that pay period.

You may take PTO time to observe religious or other holidays, that are not given as holiday paid time off by the Company.

Between Christmas and New Years' our operations are very slow and we encourage you to take PTO during this period. The Company at its sole discretion may close any or all locations and require you to either take PTO or unpaid leave at any time.

Workers' Compensation Insurance

PAX provides a comprehensive workers' compensation insurance program at no cost to you. All employees are eligible. This program covers injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. The Company insurance vendor may pay you for the time lost due to a work-related accident or illness during the remainder of the normal workday in which the incident occurs. Subject to applicable legal requirements, workers' compensation insurance provides income benefits after a short waiting period or, if you are hospitalized, immediately.

It is very important that you go to the nearest medical facility in an emergency. All other cases need to be reviewed by the company's authorized carriers. If you do not follow procedures, you may incur expenses that will not be reimbursed to you.

If you sustain a work-related injury or illness, you must inform your supervisor, management or Human Resources immediately. If it is an extreme emergency, call 911 or go to the nearest medical facility. If it is minor contact your Supervisor to guide you. No matter how minor an on-the-job injury may appear, you are required to report it immediately. Please call Human Resources as soon as possible (emergency treatment always first) for guidance at 770.814.4225. This will enable you to qualify for coverage as quickly as possible.

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

You will be required to keep your immediate supervisor informed of any change of status while on workers' compensation leave or care. As requested by the Company you will keep us informed per the schedule, we ask you to maintain, on the status of your care and work ability.

When you return to work from a work-related illness or injury, you are required to provide the Company with a written authorization from the treating physician indicating you may come back to work and are able to perform the duties of your job fully.

Time Off to Vote

PAX encourages employees to fulfill their civic responsibilities by participating in elections. Generally, you are expected to find time to vote either before or after your regular work schedule, but if that is not possible due to your business responsibilities, then the Company will grant up to two (2) hours of unpaid time off to vote. You should request time off to vote to your supervisor at least one (1) week prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled with the least disruption to the normal work schedule. We will follow state law as needed to meet compliance.

Bereavement Leave

Paid bereavement leave is available to all Regular Full-time employees after 90 days of employment. Notify your manager immediately if you need to take time off due to the death of an immediate family member. Please request this leave via the payroll system accessed by the Employee Website. Bereavement leave will normally be granted, unless there are unusual business needs or staffing requirements.

Two (2) days for an immediate family member of paid bereavement leave as outlined below. Full-time employees will receive 8 hours pay.

Under certain extreme-hardship circumstances, you may request additional bereavement leave in writing, you may request PTO time to cover any or some of this leave.

Immediate family member is defined as following :

- Spouse or confirmed Domestic Partners or Legal Guardian
- Children (including stepchildren and your child's spouses)
- Parents (including your spouse's parents or stepparents)
- Grandparents (including your spouse's grandparents)
- Grandchildren (including your spouse's grandchildren)
- Sisters and Brothers (including your spouse's siblings)
- With your Supervisor's and Human Resource's approval, you may take PTO to attend the funeral of other relatives or friends.

PAX will follow federal and state law as needed to meet compliance. PAX may require verification for the leave.

Jury Duty

PAX encourages you to fulfill your civic responsibilities by serving jury duty when required and will comply with all Federal, State and local law requirements. All Regular Full-time employees are eligible for salary continuation for up a maximum of one (1) days of paid jury duty leave over anyone (1) year period. Regular Full-time employees will receive 8 hours pay for a full day or pro-rated if scheduled to work less. Please request this leave via the payroll system accessed by the Employee Website.

You must give a copy of the jury duty summons to your Supervisor and Human Resource, immediately so that the arrangements can be made to accommodate your absence. Of course, you are expected to report for work whenever the court schedule permits. Either PAX or you may request an excuse from jury duty if, in the Company's judgment, your absence would create serious operational difficulties.

If you are required to serve jury duty beyond the one (1) day period of paid jury duty leave, you may use PTO, or you may request an unpaid Personal Leave of Absence.

PAX will follow federal and state law as needed to meet compliance.

Witness Duty

PAX encourages you to appear in court for witness duty when subpoenaed to do so. If you have been subpoenaed or otherwise requested to testify as a witness by the Company, you will receive regular pay for the entire period of witness duty.

If you are subpoenaed as a witness at the request of a party other than the Company, you may use available PTO, or request a Personal Leave of Absence without pay.

Present the subpoena to your Supervisor and Human Resource immediately after it is received so that operating requirements can be adjusted to accommodate your absence. You are expected to report for work whenever the court schedule permits.

Paid Time Off (PTO)

Paid Time Off (PTO) is an all-purpose time-off policy for eligible employees to use for vacation, other holidays, charity work, sick and other reasons you need time away from work. It combines traditional vacation and personal leave plans into one flexible, paid time-off policy. Regular Full-Time employees are eligible to earn PTO accrual for each pay period as indicated below.

When requesting PTO, please submit your request via the payroll system. Your request will then be considered and approved by your Supervisor.

PTO time for Full-Time employees, begin accruing on the 1st full payroll period after employment; your accrual balance will be available to view after 60 days of employment. New employees are able to request PTO, 1st of the month following 60 days of employment. PTO is accrued per each payroll period as follows:

Months with Company	Regular Full-time Employees Per Pay Period Accrual rate	Equates to Number of Hour per Year Maximum
1st month through the 12th month	3.076 hours per pay period	80 Hours
13th month through the 24th months	3.384 hours per pay period	88 Hours
25th month through the 36th month	3.69 hours per pay period	96 Hours
37th month through the 48th months	4.0 hours per pay period	104 Hours
49th month through the 60th month	4.308 hours per pay period	112 Hours
61th month onward	4.616 hours per pay period	120 Hours

PTO can be used in minimum increments of one (1) hour. To maintain operations, we ask that you take PTO in maximum increments of five (5) days on short notice. If a longer period is needed, please plan and get management approval at least 60 days in advance. Upon entering a new level of accrual, it will start on the 1st of the month following that date.

PTO time will not be earned while an employee is on leave of absence (short term or long-term disability leave). Employees may, with advance authorization of their management, take unearned PTO up to their calendar annual allotment. By signing this handbook, you agree to allow a payroll deduction for PTO used and not accrued if your employment terminates and you have a negative balance.

PTO time can run concurrently with any disability leave taken or absence resulting from an on the job injury during the elimination period. If an employee simultaneously receives disability and PTO, the amount will not exceed 100% of gross weekly salary. Five (5) days of PTO each year is considered emergency sick time and available at the beginning of each year, in accordance with sick leave laws in various states.

All PTO must be used in the calendar year earned. Any remaining balance at the end of December 31 will be forfeited and all employees will start with zero balance on January 1 of each year.

If you provide your written notice of termination and work your 2-week notice period satisfactorily, at the sole discretion of management, you will be paid your accrued and unused PTO balance. If you terminate for cause no PTO will be paid out. PTO may not be used during your notice period. See California law section for employees that work in that state.

Educational Assistance

PAX recognizes that the skills and knowledge of its employees are critical to the success of the organization. The educational assistance program encourages personal development through formal education so that you can maintain and improve your job-related skills or enhance your ability to compete for reasonably attainable jobs within PAX.

You are eligible to apply for educational assistance after you have completed two (2) years of service and are classified as a Regular Full-time employee. To maintain eligibility, you must remain on the active payroll and be performing your job satisfactorily through completion of each course. Courses that are part of a degree, licensing, or certification program must be related to your current job duties or a foreseeable future position in the organization to be eligible for educational assistance.

To be an eligible course, the course must be taught at a certified training institution, or if taking a college related course, either a public college/university or a nationally accredited institution.

PAX has the sole discretion to determine whether a course will be reimbursed and will consider whether it relates to your current job duties or a foreseeable-future position. The approval process will include consideration of budget availability and advance approval and scheduling of coursework. The request must be submitted at least 30 days before the class/course begins, violation will result in automatic denial of reimbursement. Educational Assistance benefits require approval by your manager and Human Resources. All approval must be in writing, approved by the direct supervisor, and one more level above that supervisor with at least a VP title prior to submitting to the Human Resources Department (for final executive approval) prior to the beginning of each class. Unless all required approvals are received in writing all request after a class is started WILL be rejected automatically by the Human Resources Department. Upon submitting the request for Reimbursement approval, the employee must provide justification that the class is DIRECTLY related to their job and necessary for the employee to do his/her job. To be reimbursed, you must receive a grade of a B (or the school's equivalent) or higher in the class before final reimbursement will be made. No exceptions allowed. .

The annual cap on tuition reimbursement is \$1,500 per employee.

PAX invests in educational assistance to employees with the expectation that the investment will be returned through enhanced job performance. However, if you voluntarily separate from PAX's employment within two (2) years of the last educational assistance payment, the amount of the payment will be considered a loan. Accordingly, you will be required to repay up to one hundred (100) percent of the educational assistance payment and hereby authorize payroll deduction of this amount from your final paycheck. Contact the Human Resources Department for more information or questions about education assistance.

Certification Incentive Program

PAX recognizes the importance of professional certifications to enhance the job knowledge of employees. Regular Full-time employees are eligible to apply for PAX's Certification Incentive Program. PAX will reimburse up to two (2) certifications per employee annually. Employees are eligible for reimbursement after 6 months of employment and reimbursement is contingent on the successful completion of each certification (i.e., passing score). Proof must be provided by the employee of successful completion. The certification must match or will match the job functions of the employee's position. Contact Human Resources for more information or to obtain a copy of the Certification Application Form.

Medical and other Insurance Benefits

Regular Full-time employees who have successfully completed the service requirements based on the Plans' eligibility, may elect coverage. This includes Medical, Dental, Vision, Life, Short-term & Long-term Disability and other ancillary coverages. The Company has the right to change this policy at any time. You may be required to contribute to the plans. Contact Human Resources for details.

401 (K) Retirement Plan

Employees who have successfully completed the service requirements based on the Plans' eligibility, may elect coverage. Currently the Company provides a 100% match on the first 6 percent of employee contributions. The Company has the right to change this plan at any time. You may be required to contribute to the plans. See Human Resources for details.

Employee Referral Bonus Plan

PAX encourages you to identify qualified friends or acquaintances who may be interested in employment opportunities with the Company. If you refer an eligible candidate that is subsequently hired, you may be eligible for a referral bonus payment of two hundred dollars (\$200) gift card, employee will be responsible for any tax liability. A bonus eligible position will be identified to employees when the Company announces the posting.

You should obtain permission from the individual you are referring before making a referral. Also, please share your knowledge of PAX to ensure the person has an idea of

the work environment. Please forward the applicant's cover letter and resume to the Human Resources Department for only open positions. See the Referral Bonus Policy, bonus eligibility and how to submit candidates on our Employee Website. You should register in writing with the Human Resources and your Supervisor, the person you are referring prior to any engaging of the job candidates by the Company.

Benefits Continuation (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives you and your qualified beneficiaries the opportunity to continue health insurance coverage under the Company's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, you or your beneficiary pay the full cost of coverage at the Company's group rates, which may increase or decrease, plus a 2% administration fee or other amount as per current law provisions. PAX will see that you are provided with a written notice describing rights granted under COBRA when you become eligible for coverage under the Company's health insurance plan if you are qualified for coverage. The notice contains important information about your rights and obligations.

The implementation of the Affordable Care Act in 2014 may provide an alternate source, other than COBRA, for medical insurance. Visit www.healthcare.gov for information on this new government program.

Federal & State Employment Benefits

Unemployment Compensation

Depending upon the circumstances, you may be eligible for unemployment compensation benefits upon termination of employment by PAX. The state unemployment office where you live determines eligibility for benefits when you leave the Company. You apply for benefits through the local state unemployment office when you become unemployed.

Social Security

The United States Government operates a system of insurance known as Social Security. As a wage earner, you are required by law to contribute a set amount of your weekly wages to the trust fund from which retirement and disability benefits are paid. The Company is required to deduct this amount from each paycheck you receive. In addition, the Company matches your contribution, dollar for dollar, thereby paying one-half the cost of your future Social Security benefits.

Your Social Security number is used to record your earnings. You may also want to make sure your earnings statement/W-2 is accurate each year by reviewing and requesting a Personal Earnings and Benefits Estimate Statement from the U.S. Social Security Administration. You can do so by calling 1-800-772-1213 or by accessing the agency online at www.ssa.gov.

PAYROLL POLICIES & PRACTICES

Paydays

Employees are paid bi-weekly, every other Friday, which covers two pay week periods of Saturday (12:01AM) through Friday (12 Midnight), paid one week in arrears.

In the event that a regularly scheduled payday falls on a day off, such as a holiday, you will receive your pay on the last day of work before the regularly scheduled payday. If a regular payday falls during your scheduled vacation, your pay will be automatically deposited into your account as normal.

All employees are encouraged to receive their pay via electronic direct deposit, subject to State law. Automatic payroll deposit programs enable safe and convenient deposit into multiple financial institutions. You may even have your pay divided into different accounts at different financial institutions.

Pay

Under federal and state law, your salary is subject to certain deductions and may be reduced for certain types of deductions such as your portion of health, dental or life insurance premiums; state, federal or local taxes, social security; or, voluntary contributions to a retirement plan, etc. Deductions will not be taken that are prohibited by state or federal law.

Review Your Pay Stub

It is our policy and practice to accurately compensate employees and to do so in compliance with all applicable state and federal laws. To ensure you are paid properly for all time worked and that no improper deductions are made, you must record correctly all work time and review your bi-weekly earnings statements promptly to identify and to report all errors.

In the event that there is an error in your pay, you should promptly bring the discrepancy to Flex HR so that adjustments in pay and/or deductions can be corrected as quickly as possible, but no later than one payroll cycle. In the event of an overpayment, the Company will work with you to determine a feasible repayment schedule.

Non-exempt Employees

Non-Exempt employees must maintain a record of the total hours worked each day. Each employee must accurately record his or her time on the provided system. Your time record must accurately reflect all regular and overtime hours worked, any absences, late arrivals, early departures and meal breaks. At the end of each week, your completed time must be reviewed and submitted to your Supervisor. Do not submit your time unless it is accurate. If your automated time reports are not accurate, notify your supervisor immediately no later than Monday following the work week.

Non-exempt employees should not work any hours that are not authorized by your Supervisor. Do not start work earlier than your scheduled time unless your supervisor approves. Stop work immediately after your work day ends as well as out and back in for your meal period; do not work during a meal break or perform any other extra or overtime work unless you are authorized to do so, and that time is recorded on your time record. Employees are prohibited from performing any "off-the-clock" work. "Off-the-clock" work means work you may perform but fail to report on your time record. Any employee who fails to report or inaccurately reports any hours worked, including altering, falsifying, not working the hours stated, tampering with records or recording time for another individual, will be subject to disciplinary action, up to and including discharge. Any overtime approved by a direct Supervisor must obtain in advance, approval of the Director of Finance. Employees that work longer hours during the week may be asked to leave early on one or two days, so they do not exceed 40 hours worked in a work week.

It is a violation of the Company's policy for any employee to falsify a time record, or to alter another employee's time record. It is also a serious violation of Company policy for any employee or manager to instruct another employee to incorrectly or falsely report hours worked or alter another employee's time record to under or over report hours worked. If any supervisor or employee instructs you to (1) incorrectly or falsely under or over report your hours worked, or (2) alter another employee's time records to inaccurately or falsely report that employee's hours worked, you should report it immediately to management.

Overtime compensation is paid to Non-Exempt employees in accordance with federal, state or local wage and hour regulations, based on the Company's workweek. Hours worked in an overtime status will be paid an additional one-half of the normal hourly rate or specific state law requirements. Overtime pay is based on actual hours worked. Time off during a workweek for job-related injury, paid holiday, bereavement, jury duty, illness or PTO will not be considered hours worked for the purposes of computing overtime pay.

Exempt Employees

If you are classified as an exempt salaried employee, you will receive a salary which is intended to compensate you for all hours you may work for the Company. This salary will be established at the time of hire or when you become classified as an Exempt employee.

Employment Termination

Termination of employment is an inevitable part of personnel activity within any organization. Below are examples of some of the most common circumstances under which employment is terminated:

- Resignation - voluntary employment termination initiated by an employee.
- Discharge - involuntary employment termination initiated by the Company.
- Reduction-in-Force – involuntary employment termination initiated by the Company for non-disciplinary reasons.

- Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the Company.

Since employment with PAX is based on mutual consent, both the employee and PAX have the right to terminate employment at will at any time, with or without cause. We request all employees provide PAX at least a two-week notice period of intent to terminate.

Pay Advances

The Company will not make personal loans or payroll advances to employees unless they are for travel of the company approved by your business leader.

Pay Deductions and Setoffs

The law requires that the Company make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. The amount of your income tax withholding is computed based on your earnings and the number of exemptions you claim on your Federal (W-4) and State tax form(s). If you wish to modify the number of exemptions, you may submit a new W-4 and your income tax withholding will be adjusted on your next possible pay. The company will also deduct for required Social Security taxes.

PAX offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are mandated pay deductions taken by PAX, usually to help pay off a debt or obligation to PAX or other authorized entities. If PAX receives a court order to garnish your wages, you will be notified. PAX acts in accordance with the federal Consumer Credit Protection Act, which places restrictions on the total amount that may be garnished from your pay. If you have questions concerning why deductions were made, or how they were calculated, contact management.

WORKING CONDITIONS

Safety

PAX is committed to the safety and health of employees, clients and visitors, and recognizes the need to comply with applicable regulations governing injury and accident prevention. Maintaining a safe work environment requires the continuous cooperation of employees. However, in reality everyone is in charge of safety, whether it be to you or your fellow workers. The Company will maintain safety and health practices consistent with applicable law.

Each employee is expected to obey safety rules and to exercise caution and common sense in work activities. Employees must immediately report any unsafe condition to the appropriate manager. Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including immediate termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees are required to immediately notify the appropriate supervisor. If you see an employee who is sick or injured, contact a supervisor or manager immediately so that appropriate emergency or medical personnel can be contacted.

Should you have any questions or concerns regarding safety issues, contact your manager for information and assistance.

Work Schedules

Your scheduled workday may vary beyond the regular business hours as stated above. Supervisors will advise employees of the times their schedules will begin and end. Once your hours are set, those hours are to be adhered to until otherwise changed by management. Typically, you will be scheduled to work from 9:00AM–6:00PM (9 hours) which includes a one-hour non-paid meal break period. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week. Some operational shift needs may be necessary to meet the requirements daily operation, heavier workloads on some days which may require an employee to have an exception to the scheduled hours as stated above.

You will be expected to regularly work your approved schedule and complete your assigned work tasks. Requests for changes in schedules, or for particular days off, generally must be made in a timely fashion, and be approved by your Supervisor prior to working the new schedule. The Company reserves the right to change or withdraw requests of work schedules at its sole discretion.

Breaks

Employees that work full time may need to take a break occasionally. Since everyone is doing different tasks, it is almost impossible to set standard break periods for all employees. Some departments may be able to set breaks, and when appropriate, the department manager will inform the individuals in that department of the assigned break time.

If none are set, you may take a break as you deem appropriate and should not exceed a total of 5-15 minutes for each 4-hours work or as per state law. The employee is responsible for the scheduling and taking of breaks. Break time allotted includes smoking breaks. Part time employees should pro-rate this activity.

Meal Break Periods

Non-exempt employees who work more than five (5) hours in a workday are provided with a one-hour meal break. This gives you time to rejuvenate and relax during the day. The minimum amount of time a Non-exempt employee may take for a meal break is thirty (30) minutes approved by management and must be taken starting your 5th hour of work. You will schedule meal periods to accommodate operating requirements. Non-exempt Employees will be relieved of active responsibilities and not work during meal periods and will not be compensated for that time.

Use of Phone and Mail Systems

The success of PAX depends on the quality of relationships between PAX, our employees, clients, suppliers and the general public. Regardless of your position, you are PAX's ambassador. The more goodwill you promote, the more our clients will appreciate and respect you, and PAX's service value. To ensure effective telephone communications, you should always use a business appropriate greeting, and speak in a courteous and professional manner. Please confirm information received from the caller and hang up only after the caller has done so. Please keep your voice message up to date at all times. Cell phones and PDA's (i.e. I-Pads) have become everyday communication tools, however the Company prohibits you from using this type of equipment while driving a motor vehicle while working for the company. Cell phones should be set on silent or the vibrate position while at work in an office setting. You should never use your cell phone in front of a client unless resolving their concern.

The telephone, mail and shipping at PAX are to be used for business purposes. Occasional personal use of the Company-owned communications tools is permitted; however, employees may be required to reimburse PAX for any charges resulting from their personal use of Company owned communications devices. The use of PAX's paid postage or shipping charges for personal correspondence or packages is only permitted if you pay at time of service.

Use of Company Equipment

When using Company provided equipment, you are expected to exercise care, perform required maintenance, and follow operating instructions, safety standards, and guidelines.

Please notify your manager or designated person if any equipment, machines, or tools appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to you or others. Your Supervisor can answer any questions about your responsibility for maintenance and care of equipment used on the job.

You are responsible for all equipment you take from any company facility. If you damage or lose the property, you will be required to reimburse the company. You agree that the company may take money owed due to damage or lost property from your expense claims or earnings. The improper, careless, negligent, destructive, or unsafe use or operation of equipment can result in disciplinary action, up to and including immediate termination of employment.

Emergency Closings & Evacuations

At times, emergencies such as severe weather, fires, power failures, hurricanes or earthquakes, can disrupt Company operations. In extreme cases, these circumstances may require the closing of a PAX facility.

When the decision to close is made AFTER the workday has begun, employees will receive official notification from management. In these situations, time off from scheduled work will not be paid for Non-Exempt employees. When the decision to close is made BEFORE the workday has begun, time off from scheduled work will not be paid.

If the workday or any portion thereof is not cancelled, and employees choose not to, or are unable to come to work due to inclement weather the time will be unpaid for Non-exempt employees. If you feel life threatened by the situation, please use your judgment in coming to work or taking the day off. The Company reserves the right to consider extraordinary circumstances that may occur to affect locations and make the determination to pay employees at its sole discretion and without obligation to employees in other areas or by state law.

Emergency Evacuations

If you are advised to evacuate the building:

- Stop work immediately; do not collect personal belongings.
- Walk quickly to the nearest exit. Do not run.
- Proceed to a parking lot near the building. Be present and accounted for during a roll call.
- Do not reenter the building until instructed to do so.

Business Travel & Expense Policy

This Policy ensures that employee travel is consistent with the business objectives of PAX Technology, Inc. It also ensures fair and equitable treatment of employees by defining procedures for authorized business travel and guidelines for expense reimbursement.

Overview

A critical balance must be sought when requesting travel. This is the company's need for cost effectiveness and the employee's need for quality services and support. Employee travel will be via the lowest cost alternative and consistent with good business practices. Neither luxury, nor sub-standard modes of transportation and accommodations shall be used.

Employee travel and the expenses associated with it, shall be authorized by the employee's manager to ensure that all employee's travel meets this objective and that reimbursement is made for actual, reasonable business expenses in connection with authorized travel as defined by this document. In order to maintain control over expenditures, any expense submitted that does not comply with the guidelines of this procedure will not be reimbursed, unless accompanied by a valid exception from management. Manager approved expense reports and all receipts must be submitted within thirty (30) days or they may not be reimbursed.

All travel must be requested using the Company's AMEX travel system.

Implementation and Responsibility

Management Responsibility

- Know current travel policy and inform their departmental staff of company policy and procedures.
- Determine if travel is necessary to achieve company goals and provide their approval in accordance with the policy.
- Direct reports to the CEO should be sent to expense.report@pax.us and the team will secure approval from the CEO.

Employee's Responsibility

- Must obtain Manager's approval for travel.
- Notify manager as early as possible of necessary travel.
- Work around customer's schedule when requesting travel arrangements.
- Never inconvenience a customer to travel on a frequent flyer carrier.
- Incur only expenses that are consistent with the business needs and exercise care in determining appropriate expenditures
- Submit expense reports as outlined in the expense section on this policy, on a timely basis (within 30 days).

Travel Request and Approval

Upon determination that a trip is necessary, a travel request must be submitted through the AMEX travel system.

PAX will reimburse for the cost for a travel visa if the travel is necessary for work.

Air Travel

Air travel is the most direct and economical means to accommodate the comfort, needs, and preferences of the employee. PAX will advise the lowest fare and routing, determined by examination of all carriers possible taking into account the requested departure/arrival time. Air travel will be booked between 4-6 weeks in advance of the trip and not before. **Deviations from the lowest fare must have manager approval.**

Use of "Non-Refundable" airfares is recommended. These fares are usually considerably less expensive than refundable un-restricted fares. In most cases, if the travel must change or the trip canceled all together, the funds can be used as a credit toward future travel, less a service charge imposed by the airline.

Business class travel is not permitted. All employees will fly the least expensive economy class including international flights, as well as domestic.

Employees may retain all benefits from frequent flyer club memberships. All dues for such clubs must be paid by employee.

Auto Rental

When a rental car is necessary, PAX will make a reservation for the employee, however the employee must have a personal credit card in order to pick up the rental car. Employees may submit these expenses on the expense report.

When using a rental car, the employee will only be reimbursed for the most economical cost of the rental (economy or compact unless prior approval is obtained in writing) and any gas used during the rental period. Rental must be refueled prior to return. If unable to do so, employee will be responsible for the cost difference if the agency must refuel. Insurance and mileage will not be reimbursed.

In the case that the PAX employee is under the age of twenty-five (25), the car rental must go through Hertz and the employee must secure the car with their own credit card. Our office administrator will assist with the booking.

Personal Auto Reimbursement

Employees are only authorized to use his/her automobile if they have both a valid driver's license and current comprehensive auto insurance, including liability. If not, the employee is not authorized to travel for the company.

Employees should consider the most economical way for travel. If the cost for using a rental car is less than use a personal automobile, then employees should use the least costly alternative and use a rental car.

When an employee uses his/her personal automobile on approved company business, the company will pay the IRS rate per mile. The Company has the right to change the amount anytime without advanced notice. The Company will also reimburse auto tolls and parking fees, with receipts.

Mileage from employee's home to regular assigned work location is not a reimbursable expense. However, if the employee goes directly from home to another work assignment other than the regular work location, and the distance to the work assignment is greater than the distance to the regular work location, the employee can expense the difference.

In order to receive reimbursement for mileage, the employee must complete an expense report specifying purpose of trip, date of trip, point of origin, and destination of trip. Any missing information on the expenses report will be returned to the employee.

The employee assumes the responsibility for all parking and traffic fines.

Lodging

All company authorized accommodations must meet standards with reference to comfort, convenience, and cost. If traveling to Jacksonville or Tempe offices, employee should make their reservation at the Candlewood Suites closest to each office. All other required accommodations will be handled on a case by case basis by Office Administration.

Lodging requests must be made using the company's AMEX travel system, except when the host hotel needs to be reserved via tradeshow registration link directly.

Hotel reservations are confirmed at the time of booking at the AMEX Travel website. AMEX direct rates and the room taxes and fees will be charged when purchased. When selecting these types of rates, the cancellation policy can be stricter and sometimes non-refundable. Make sure you view the cancellation policy on the page before adding to the reservation. Please ensure to modify your hotel if you modify your airline reservation. Please call PAX's Travel Admin to assist you if needed. The employee will be responsible for the additional hotel cost if it is not cancelled on time and gets billed.

If you have booked a non-prepaid hotel, please contact PAX's Travel Admin to get the credit card authorization form and set up third party billing.

The employee is responsible for confirming that the rate being charged is also the rate listed on the travel itinerary. Any discrepancies should be reported immediately.

All hotel reservations will be paid by the company (room and tax only). Each employee must provide a credit card to the hotel directly for incidentals etc. PAX will not reimburse for calls made on hotel room phone.

Cash tips will be reimbursed for bell boy, valet and/or room service, however there is a maximum limit of \$2.00 per day.

Tips for taxi will be reimbursed only at a maximum of 10% of the taxi bill. If more than 10% of the taxi bill it will not be reimbursed.

Phone

Hotel phone charges are not reimbursable. Employees who are required to travel are expected to have an unlimited call and data plan. These employees are eligible to join PAX's corporate phone plan which provides unlimited calls and data. For further details and how to join, please contact the Human Resources Department.

Meals and Entertainment

Actual, reasonable, and necessary costs for meals will be reimbursed. The cap for the daily per diem allowance is \$80 USD per day, regardless of local or international travel.

The employee should be guided by what he/she eats at home. Reimbursement may include a gratuity of up to eighteen (18%) percent of the bill, before sales tax. Detailed receipts listing what was purchased is required for all meals.

Non-reimbursable expenses include but are not limited to: alcoholic beverages (unless entertaining customers, in such cases the names of the customers attending must be listed on each receipt), airline club dues, rental car club membership fees, airline head seat rental, in-room movies, fines for traffic violations, insurance on life or personal property while traveling, purchase of clothing and/or other personal items, expenses for family, child, pet, home, and property care while on a trip.

If employee needs to treat customer for business purpose, the maximum allowance will be \$100 per meal per customer, all inclusive. Approval should be obtained from employee's manager/supervisor before the meal. The following should be included when getting your approval.

- Name(s) of the company(s)
- Name(s) of the customer(s)
- Potential sales revenue for the deal

If employee reports meal expenses that includes the customers' meal, the following details need to be reported in Expenses Report: customer's company name, number of attendees, attendees' names, and the purpose.

Laundry Service

Actual and reasonable laundry expenses will be reimbursed. Receipts must be provided. This applies only after the employee has been away from home for five (5) consecutive days, or if the trip has been unexpectedly extended. No dry cleaning will be reimbursed.

Expense Reporting

The following conditions apply when submitting expense reports:

Actual and reasonable expenses are reimbursed in accordance with the provisions of this policy and procedure. Employee must submit expense reports no later than Friday 10:30AM EST before a pay week after incurring the expenses, or upon returning to the office, whichever is sooner. Failure to submit expense reports within thirty (30) days, may result in the expense being disallowed.

Include the following items in, or attached to, the expense report when submitting it for payment:

- Copy of Travel Request form signed by employee's manager.
- Original or carbon copies of **itemized** receipts for meal, lodging, air or auto transportation, tolls, gasoline, and any other business expenses, must be organized in date order.
- Explanation of any deviation from policy, unauthorized vendors, lodging or transportation, and/or charges submitted "in lieu of" normal expenses, including lost receipts.
- Write the nature of the receipt if it is in any language other than English, otherwise receipt will be disallowed.
- If a receipt is lost, the amount will not be reimbursed. Employee has the responsibility to keep all the receipts.
- If the total in a cell on the spreadsheet is compiled of more than one receipt, you must insert a comment on each specific cell throughout the spreadsheet.
- Taxi and car service will be reimbursed only with receipt, must include destinations from and to.
- If lodging and airfare were paid by employee credit card, employee must provide the relevant section of expense on their bank statement. Employee can remove irrelevant, sensitive information such as their address and more than the last four credit card digits on their bank statement.

Expense Reimbursement

Business expenses incurred by an employee must be approved in advance by the CEO and President within the budget limit set according to their contract between the company and employee.

Please submit your expense reimbursement to your direct manager for approval. Once approved by your direct manager, please send the expense reimbursement with all receipts AND the evidence of approval to expense.report@pax.us by Tuesday 10:30AM EST for Canada employees and Thursday 10:30AM EST for US employees before the payroll week. If the total expense reimbursement is less than \$500, approval is needed by the Manager/VP. If the total expense reimbursement is between \$500 - \$1,000, approval is needed by the SVP of Sales/Country Manager. If the total expense reimbursement is between \$1,000 - \$2,500, approval is needed by the SVP of Operations. If the total expense reimbursement is greater than \$2,500, approval is needed by the CEO.

If your direct manager is the CEO, please send the evidence of approval with your expense reimbursement report and all receipts to expense.report@pax.us

Visitors in the Workplace

To provide for the safety and security of employees and the facilities and property of PAX, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, their own safety and avoids potential distractions and disturbances. Visitors are to follow company rules.

If you are in an PAX facility and are expecting visitors, arrange for someone to watch the door who will ensure that your visitors are greeted. You or your authorized representative should escort visitors to their destination. You are responsible for the conduct and safety of your visitors (including Family and Friends).

If an unauthorized individual is observed on PAX's premises, you should immediately notify your supervisor or the senior person at that facility and, if necessary, direct the individual to the exit or appropriate area.

Computers, Software, Internet and E-mail Usage

Computer files, the e-mail system, and software furnished to employees are the Company's property intended for business use. Incidental and occasional personal use of voicemail and electronic mail systems is permitted, but any information and messages stored in these systems will be treated as Company property. By accepting and continuing your employment with the Company, you agree that you have no expectation of personal privacy or confidentiality in regard to any Company password protected information on Company dedicated computers and/or communication systems.

In order to perform their work for the Company, employees are provided with various tools, including computers, mobile devices, Internet access, email accounts, voicemail, fax machines, software programs and online services. All employees are reminded that these resources are the property of the Company and must be used with care and solely for the facilitation of Company business. As Company property, these devices and systems may be

accessed, reviewed, and examined at any time by authorized Company representatives.

Employees should not maintain any expectation of privacy with respect to the use of electronic communications, systems, and devices, even with respect to personal, confidential and/or privileged communications with family members, friends, and personal attorneys and physicians. Additionally, use of these tools necessarily involves compliance with laws, and various Company policies; therefore, employees must understand and adhere to this Policy, in order to minimize the risk, to both the employee and to the Company, inherent in the abuse or misuse of these resources.

PAX provides several web-based tools that are available for use from personal or public computers including, PAX Webmail, or other access. Other software applications (that "live" locally on the computer) or access to PAX servers are for use on PAX computers only. All employees have been issued PAX email accounts. Employees are not to use personal email accounts to conduct PAX business, except for emergency circumstances. Under no circumstances should any document, email, or other communication be sent using personal email that contains PHI. If you believe that you are required, as part of your job responsibilities, to utilize your personal computer for Company business purposes (other than to access the web-based tools mentioned above) and you have not been supplied a Company computer, please notify your supervisor and IT immediately. We will either clarify your job description or provide you the proper equipment.

Anything that is business-related (emails, documents, call records, voicemails, etc.), on personal equipment and using personal electronic communications (personal email, personal internet service, personal phone) is:

The property of PAX and not considered personal property (and you should not assume privacy with respect to business-related materials on personal equipment);

Subject to discovery in the case of litigation, which could potentially expose all of your personal information and records if subpoenaed;

Subject to Company document retention rule, if items are deleted in violation of policy subject to discipline or prosecution, such as where there is a litigation hold or law.

You should not use another individual's password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, e-mail usage may be monitored. PAX may have to respond to proper requests resulting from legal proceedings that call for electronically stored evidence. PAX also will conduct investigations where complaints of unacceptable behavior have been made. Therefore, PAX reserves the right to enter any Company dedicated system to inspect and review data transmitted or recorded in or on these systems.

PAX strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, PAX prohibits the use of computers and the e-mail system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of chain emails, sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as showing disrespect for others or harassment.

If you receive any message that you feel is disrespectful or harassing in nature, you must take the initiative and send a note back to the author (if known) and respectfully

state that *"by notification of this e-mail I request that you cease immediately the action of sending e-mails of this disrespectful nature. I must report to higher authority any such actions in the future."* If you do not know the author, simply "delete," and do not respond back or continue to open any of the files or windows. You must report such conduct immediately to your supervisor, or anyone on the management team.

E-mail may not be used to solicit others for personal commercial ventures, religious or political causes, outside organizations, or excessive other non-business matters.

PAX assumes no liability for loss, damage, destruction, alteration, disclosure, or misuse of any personal data or communications transmitted over or stored on the Company's communications and data systems. The Company accepts no responsibility or liability for any loss arising from non-delivery of any personal electronic mail or voicemail communications or any personal data stored on any Company property. The Company strongly discourages employees from transmitting or storing any personal data on any of the Company's technology resources.

Employees are expected to maintain their passwords as confidential, must not share passwords, and must not access co-worker's systems without previous authorization. However, employees are required to inform IT of their passwords as required.

Deleting or erasing information, documents, or messages maintained on the Company's computer systems is, in most cases, ineffective. All employees should understand that any information kept on the Company's computer systems could possibly be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased." Employees who delete or erase information or messages should not assume that such information or messages are confidential.

PAX purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, PAX does not have the right to reproduce such software for use on more than one computer or install personal software on Company computers. You should never use a product produced by you or others that is not the property of PAX such as databases from Oracle or other sources.

You may only use Company software on your computer devices, or on local area networks, or on multiple machines according to the current software license agreement. PAX prohibits the illegal duplication of software and its related documentation.

You should notify your Supervisor or management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including immediate termination of employment.

The following guidelines have been established to help ensure responsible and productive Internet usage in the conduct of PAX's business. While Internet usage is intended for job-related activities, incidental and occasional brief personal use is permitted within reasonable limits.

Access to the Internet from PAX dedicated devices owned by employees' remains, at all times, a legitimate business interest of PAX. As such, PAX reserves the right to monitor

all Internet email and computer traffic, and retrieve and read any data composed, sent, or received through the online connections or stored in PAX dedicated business communications systems.

Data that is composed, transmitted, accessed, or received via the Internet must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include, but are not limited to, sexual comments or images, racial slurs, gender-specific comments, or any other comments or images that could reasonably offend someone on the basis of race, age, sex, religious or political beliefs, national origin, disability, sexual orientation, or any other characteristic protected by law. Employees are further required to comply with privacy policies as set forth by the PAX, or clients as an addition to this policy.

The unauthorized use, installation, copying, renaming or distribution of copyrighted, trademarked, license agreements, named databases such as Oracle or patented material on PAX computers or the Internet is prohibited both by law and Company policy. As a general rule, if you did not create material, do not own the rights to it, or have not gotten authorization for its use, it should not be put on the Internet. You are also responsible for ensuring that the person sending any material over the Internet has the appropriate distribution rights.

Internet users should take the necessary anti-virus precautions before downloading or copying any file from the Internet. Downloaded files are to be checked for viruses and compressed files are to be checked before and after decompression.

Violation of law or PAX's policies relating to internet usage will result in disciplinary action, up to and including immediate termination of employment. PAX and its employees are legally bound to comply with the Federal Copyright Act (Title 17 of the U.S. Code) and all proprietary software license agreements. Noncompliance can expose PAX and the responsible employee(s) to civil and/or criminal penalties. Employees may also be held personally liable for any violations of this policy including any fines for your inappropriate actions. The following behaviors are examples of previously stated or additional actions and activities that are prohibited on PAX dedicated communications devices and can result in disciplinary action:

- Sending or posting discriminatory, harassing, or threatening messages or images.
- Stealing, using, or disclosing someone else's code or password without authorization.
- Copying, pirating, using databases not developed by PAX, or downloading software and electronic files without permission.
- Sending or posting confidential material, trade secrets, or proprietary information outside of the organization.
- Failing to observe licensing agreements.
- Sending or posting messages or material that could damage the organization's image or reputation.
- Participating in the viewing or exchange of pornography or obscene materials.
- Sending or posting messages that defame or slander other individuals.
- Attempting to break into the computer system of another organization or person
- Sending or posting chain letters, solicitations, or advertisements not related to

business purposes or activities. Signing “guest books” at web sites or posting messages on Internet newsgroups or discussion groups at web sites.

- Creating or forwarding content that violates Anti-Spam laws.
- Creating or forwarding content that violates Copyright laws.
- Using the Internet for political causes or activities, religious activities, or any sort of gambling.
- Passing off personal views as representing those of the Company.
- Engaging in any other illegal or unethical activities.

Employees using the Internet with PAX dedicated devices are representing the Company. Employees are responsible for ensuring that the Internet is used in an effective, ethical, and lawful manner. Examples of acceptable use are:

- Using Web browsers to obtain business information from commercial Web sites
- Accessing databases for information as needed
- Connecting remotely to the Company’s Network through VPN
- Attending Webinars sponsored by outside companies
- Using email for business contacts
- Using Internet Messaging (IM) for internal communications

Employees are expected to only use professional images for profile pictures while logged into your email, Microsoft Teams, or Office 365 account provided by the Company. Approved images include professional business headshots, pictures taken for your ID badge, or the current PAX logo. Profile pictures may not include graphics, cartoons, selfies, or full-body pictures. Human Resources has sole discretion to determine if your profile picture is appropriate for the business environment.

All messages created, sent, or retrieved are the property of the Company and may be regarded as public information. PAX reserves the right to access the contents of any messages sent over its facilities if the Company believes, in its sole judgment, that it has a business need to do so.

All communications, including text, images and attachments, can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver. **This means do not put anything into your email messages that you would not want to see on the front page of the newspaper or be required to explain in a court of law.**

Violations of copyright law expose the Company and/or the individual responsible employee(s) to criminal penalties and only some of those items are listed below:

- Liability for damages suffered by the copyright owner
- Profits that are attributable to the copying
- Fines up to \$250,000 for each illegal copy
- Jail terms of up to five years

Social Networking

Social Networking or "social media" includes, but is not limited to, blogs, forums, and social networking sites, such as Twitter, Facebook, LinkedIn, YouTube and other websites.

The Company recognizes the widespread use and availability of internet-based forums for expression of personal views and beliefs. Due to the wide accessibility of the Internet, the Company desires to ensure that the content posted by its employees does not harm the Company's reputation or subject it to potential civil liability. Employees recognize that the content posted on the Internet or other forums, although personal to the employee, may be construed by others as representing the Company's views, values, and principles. The Company therefore reserves the right to monitor all such communications, regardless of whether the content is posted via Company or personal property, in order to protect its reputation and interests, and those of our clients and customers. The employee recognizes that anything posted on the internet, whether on a personal blog, a social media webpage or any other forum, even if which the employee believes is protected by passwords or web-based privacy or security settings, may potentially be viewed, reposted, transferred, transmitted, or shared by anyone. Therefore, employees do not maintain any expectation of privacy in content posted on the Internet, whether posted in a private or public forum. Employees who choose to post content on the Internet or other public or private internet-based forums must abide by the following conditions:

- Employees are prohibited from using Company property to post blogs or other Internet or social media content.
- Employees are prohibited from blogging or posting any other Internet or socialmedia content during work hours.
- Employees may not post private or confidential information regarding the Company, its employees, or its clients to the Internet or in any public or private internet-based forum.
- Employees may not post content which reflects negatively on or has the potential to harm or disparage the Company's reputation or that of its clients.
- Employees may not post content which may be construed as disparaging, harassing, or discriminatory in nature against any employee or client of the Company.
- As with all communications, employees must treat the Company, and its competitors, clients, and employees with respect at all times and refrain from making defamatory statements.
- Employees are required to state that any comment or view expressed in a blog or other Internet based communication is the employee's own personal view and not that of the Company.
- Employees may not maintain personal websites or blogs accessed through their PAX-dedicated facilities.
- Employees may not engage in social media activity on their PAX-dedicated devices, unless it is directly related to their work (i.e. Marketing function), approved by their manager, and does not identify or reference company clients, customers, or vendors without express permission.

The meaning of posted content may often be subjective. However, the Company, in its sole discretion, has the authority to determine whether or not the posted content violates this section. Nothing in the Company's social media policy is designed to interfere with, restrain, or prevent employee communications regarding wages, hours, or other terms and conditions of employment. PAX employees have the express right to engage in or refrain from such activities.

In general, the Company considers social media activities to be personal endeavors which should reside on and be accessed through non-business devices which employees may use to express their thoughts or promote their ideas as long as they do not conflict with company policies, business or exposing company or client specific information. It is unauthorized to display any confidential information of the Company on your recreational, non-business devices on any public site. Such behavior may result in immediate termination.

Respect. Demonstrate respect for the dignity of the Company, its owners, its clients, its vendors, and its employees. A social media site is a public place, and employees should avoid embarrassing readers, company employees, clients, vendors, or owners. Do not use ethnic slurs, personal insults, or obscenity, poor use of pictures, or use language that may be considered inflammatory. Even if a message is posted anonymously, it may be possible to trace it back to the sender.

Post Disclaimers. If an employee identifies himself or herself as a Company employee or discusses matters related to the Company on a social media site, the site must include a disclaimer on the front page stating that it does not express the views of PAX and that the employee is expressing only his or her personal views. For example: "The views expressed on this website/web log are mine alone and do not necessarily reflect the views of my employer."

Place the disclaimer in a prominent position and repeat it for each posting expressing an opinion related to the Company. Employees must keep in mind that if they post information on a social media site that is in violation of Company policy and/or federal, state, or local law, the disclaimer will not shield them from disciplinary action.

Workplace Monitoring

Workplace monitoring on Company premises may be conducted by PAX to ensure quality control, employee safety, security, and client satisfaction. This may include monitoring computers, voice mail and other electronic communications, as well as physical searches if necessary. PAX may conduct video surveillance areas as permitted by law and good taste. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence. Because PAX is sensitive to the legitimate privacy rights of employees, every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

Security Inspections

PAX wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, PAX prohibits the possession, transfer, sale, or use of such materials on its premises. PAX requires the cooperation of employees in administering this policy.

On Company premises, desks or other storage devices may be provided for the convenience of employees, but they remain the sole property of PAX. Accordingly, any agent or representative of PAX can inspect them, as well as any articles found within them, at any time, either with or without prior notice.

To safeguard the property of our employees, our clients and the Company, and to help prevent the possession, sale and use of illegal drugs on PAX's premises, in keeping with the spirit and intent of the Company's Drug Free Workplace policy, PAX reserves the right to question and conduct searches of item of employees and all other persons entering and leaving our premises, and to inspect any packages, parcels, purses, handbags, briefcases, lunch boxes, or any other possessions or articles carried to and from the Company property.

In addition, the Company reserves the right to search any employee's desk, files, locker, or any other area or article on our premises. In this connection, it should be noted that all such offices, desks, files, lockers and so forth, are the property of PAX and are issued for the use of employees only during their employment with the Company. Inspections may be conducted at any time at the discretion of PAX. Managers need approval of the CEO prior to inspection actions. Should criminal activity be suspected, PAX will promptly notify law enforcement authorities.

Workplace Violence Prevention

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

Employees, including supervisors, temporary employees and contractors, as well as, vendors, clients and visitors should be treated with courtesy and respect at all times. This policy is a definitive statement that acts or threats of physical violence, including bullying, intimidation, harassment, threatening phone calls and coercion, which involve or affect the Company, the Company's legitimate interests or occur on Company or customer property or at Company-sanctioned locations, events and activities "Company Locations" will not be tolerated.

Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to themselves and others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited from the premises of PAX without proper authorization. Possession of a weapon without authorization is grounds for immediate termination.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public, at any time, including off-duty periods, will not be tolerated. This prohibition includes acts of harassment, including harassment that is based on an individual's sex, color, race, disability, age, national origin, religion or any characteristic protected by federal, state, or local law.

Threats of (or actual) violence, both direct and indirect, should be reported immediately to your supervisor or manager. When reporting a threat of violence, you should be as specific and detailed as possible. Suspicious individuals or activities should also be reported immediately to management. Do not place yourself in danger.

PAX will promptly and thoroughly investigate all reports of threats of (or actual) violence, and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, PAX may suspend employees, either with or without pay, pending investigation. Anyone determined to be responsible for threats of (or actual) violence, or other conduct that is in violation of these guidelines, will be subject to prompt disciplinary action, up to and including immediate termination of employment. PAX is eager to assist in the resolution of employee disputes and will not discipline employees for raising legitimate concerns in good faith.

LEAVE OF ABSENCE

Unpaid Personal Leave of Absence

PAX provides Regular Full-Time employees a leave of absence without pay who require time off from work for compelling personal or medical reasons. When Personal Leave is taken for medical purposes, employees may be eligible for disability income benefits and/or leave under Federal or State Laws.

As soon as you become aware of the need for a personal leave of absence, you should request a leave from your manager and obtain approval. Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence. PAX reserves the right to refuse or limit requests for personal leaves of absence.

Personal leave may be granted for a period of up to 90 calendar days every two (2) years. The Company will not approve extensions to Personal Leaves. Subject to the terms, conditions, and limitations of the applicable plans, PAX will continue to provide medical, dental, vision, life and disability benefits for the full period of the approved personal leave; however, employees on an unpaid personal leave are required to pay the full monthly premium for their current coverages unless they are also on FMLA. The amount of these premiums will be deducted from the employees' paychecks prior to their starting their leave. See human resources for details.

When a personal leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, the Company cannot guarantee reinstatement.

If an employee fails to report to work promptly at the expiration of the approved personal leave period, the Company will assume the employee has resigned.

Employees who accept other employment or go into business while on personal leave of absence from the Company, will be considered to have voluntarily resigned from employment with the Company as of the day on which the Personal Leave began.

Family and Medical Leave (FMLA)

Employees may be entitled to a leave of absence under the Family and Medical Leave Act (FMLA). This policy provides employees information concerning FMLA entitlements and obligations employees may have during such leaves. If you have any questions concerning FMLA leave, you should contact your Supervisor or Human Resources.

Employees Eligible for FMLA Leave

FMLA leave is available to "eligible employees." To be an "eligible employee", an employee must: (1) have been employed by the Company for at least 12 months (which need not be consecutive); (2) have been employed by the Company for at least 1250 hours of service during the 12-month period immediately preceding the commencement of the leave; and (3) be employed at a worksite where 50 or more employees are located within 75 miles of the worksite.

Employee Entitlement for FMLA Leave

As described below, the FMLA provides eligible employees with a right to leave, health insurance benefits and, with some limited exceptions, job restoration. The FMLA also entitles employees to certain written notices concerning their potential eligibility for and designation of FMLA leave.

Basic FMLA Leave Entitlement

The FMLA provides eligible employees up to 12 workweeks of unpaid leave for certain family and medical reasons during a 12-month period. The 12-month period is determined on a “rolling” basis, looking back from the date leave is to commence. Leave may be taken for anyone, or for a combination, of the following reasons:

- To care for the employee’s child after birth, or placement for adoption or foster care;
- To care for the employee’s spouse, son, daughter or parent (but not in-law) who has a **serious health condition**;
- For the employee’s own **serious health condition** (including any period of incapacity due to pregnancy, prenatal medical care or childbirth) that makes the employee unable to perform one or more of the essential functions of the employee’s job; and/or
- Because of any **qualifying exigency** arising out of the fact that an employee’s spouse, son, daughter or parent is a covered military member on active duty or has been notified of an impending call or order to active duty status in the National Guard or Reserves in support of contingency operation.

A **serious health condition** is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee’s job or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Qualifying exigencies may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings.

Additional Military Family Leave Entitlement (Injured Service Member Leave)

In addition to the basic FMLA leave entitlement discussed above, an eligible employee who is the spouse, son, daughter, parent or next of kin of a **covered service member** is entitled to take up to 26 weeks of leave during a single 12-month period to care for the service member with a serious injury or illness.

Leave to care for a service member shall only be available during a single 12-month period and, when combined with other FMLA-qualifying leave, may not exceed 26 weeks during the single 12-month period. The single 12-month period begins on the first day an eligible employee takes leave to care for the injured service member.

A “**covered service member**” means a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is on the temporary retired list, for a serious injury or illness. A member of the Armed Forces would have a serious injury or illness if he/she has incurred an injury or illness in the line of duty while on active duty in the Armed Forces provided that the injury or illness may render the service member medically unfit to perform duties of the member’s office, grade, rank or rating.

Intermittent Leave and Reduced Leave Schedules

FMLA leave usually will be taken for a period of consecutive days, weeks or months. However, employees also are entitled to take FMLA leave intermittently or on a reduced leave schedule when medically necessary due to a serious health condition of the employee or covered family member or the serious injury or illness of a covered service member.

Protection of Group Health Insurance Benefits

During FMLA leave, eligible employees are entitled to receive group health plan coverage on the same terms and conditions as if they had continued to work.

PTO accruals will continue for a maximum of thirty (30) days from the effective date of the leave. After thirty (30) days, PTO accruals are suspended until return to active employment.

Restoration of Employment and Benefits

At the end of FMLA leave, subject to some exceptions, including situations where job restoration of “key employees” will cause the Company substantial and grievous economic injury, employees generally have a right to return to the same or equivalent positions with equivalent pay, benefits and other employment terms. The Facility will notify employees if they qualify as “key employees”, if it intends to deny reinstatement, and of their rights in such instances. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee’s FMLA leave.

Notice of Eligibility for, and Designation of, FMLA Leave

Employees requesting FMLA leave are entitled to receive written notice from the Company telling them whether they are eligible for FMLA leave and, if not eligible, the reasons why they are not eligible. When eligible for FMLA leave, employees are entitled to receive written notice of: 1) their rights and responsibilities in connection with such leave; 2) the Company’s designation of leave as FMLA-qualifying or non-qualifying, if not FMLA-qualifying, the reasons why; and 3) the amount of leave, if known, that will be counted against the employee’s leave entitlement.

The Company may retroactively designate leave as FMLA leave with appropriate written notice to employees provided the Company’s failure to designate leave as FMLA-qualifying at an earlier date did not cause harm or injury to the employee. In all cases where leaves qualify for FMLA protection, the Company and employee can mutually agree that leave be retroactively designated as FMLA leave.

Employee FMLA Leave Obligations

Employees who take FMLA leave must timely notify the Company of their need for FMLA leave. The following describes the content and timing of such employee notices.

Content of Employee Notice

To trigger FMLA leave protections, employees must inform the Company of the need for FMLA-qualifying leave and the anticipated timing and duration of the leave, if known. Employees may do this by either requesting FMLA leave specifically or explaining the reasons for leave so as to allow the Company to determine that the leave is FMLA-qualifying. For example, employees might explain that:

- A medical condition renders them unable to perform the functions of their job;
- They are pregnant or have been hospitalized overnight;
- They or a covered family member are under the continuing care of a health care provider;
- The leave is due to a qualifying exigency cause by a covered military member being on active duty or called to active duty status; or
- If the leave is for a family member, that the condition renders the family member unable to perform daily activities or that the family member is a covered service member with a serious injury or illness.

Calling in “sick,” without providing the reasons for the needed leave, will not be considered sufficient notice for FMLA leave under this policy. In the event that an employee is absent for three days or more the Human Resources department may contact you to determine if your leave should be considered a qualifying event. Employees must respond to the Company’s questions in order to make a determination. If employees fail to explain the reasons for FMLA leave, the leave may be denied. When employees seek leave due to FMLA-qualifying reasons for which the Company has previously provided FMLA-protected leave, they must specifically reference the qualifying reason for the leave or the need for FMLA leave.

Timing of Employee Notice

Employees must provide 30-days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days’ notice is not possible, or the approximate timing of the need for leave is not foreseeable, employees must provide the Company notice of the need for leave as soon as practicable under the facts and circumstances of the particular case. Employees, who fail to give 30 days’ notice for foreseeable leave without a reasonable excuse for the delay, or otherwise fail to satisfy FMLA notice obligations, may have FMLA leave delayed or denied.

Providing the Company with your “notice of the need for a leave” means you need to ensure the Human Resources Department is provided a written request on when you need a leave, the general reason for the leave, your full legal name, and the means to contact you if additional information is needed. In most situations, you can ask your immediate supervisor to forward this information to the HR Department, but it is recommended you contact the HR Department directly if you are not called within 2 to 3 days of your request. The HR Department administers the leave process and will determine if your leave can be approved.

Cooperate in the Scheduling of Planned Medical Treatment (Including Accepting Transfers to Alternative Positions) and Intermittent Leave or Reduced Leave Schedules

When planning medical treatment, employees must consult with the Company and make a reasonable effort to schedule treatment so as not to unduly disrupt the Company's operations, subject to the approval of an employee's health care provider. Employees must consult with the Company prior to the scheduling of treatment to work out a treatment schedule which best suits the needs of both the Company and the employees, subject to the approval of an employee's health care provider. If employees providing notice of the need to take FMLA leave on an intermittent basis for planned medical treatment neglect to fulfill this obligation, the Company may require employees to attempt to make such arrangements, subject to the approval of the employee's health care provider.

When employees take intermittent or reduced work schedule leave for foreseeable planned medical treatment for the employee or a family member, including during a period of recovery from a serious health condition or to care for a covered service member, the Company may temporarily transfer employees, during the period that the intermittent or reduced leave schedules are required, to alternative positions with equivalent pay and benefits for which the employees are qualified and which better accommodate recurring periods of leave.

When employees seek intermittent leave or a reduced leave schedule for reasons unrelated to the planning of medical treatment, upon request, employees must advise the Company of the reason why such leave is medically necessary. In such instances, the Company and employee shall attempt to work out a leave schedule that meets the employee's needs without unduly disrupting the Company's operations, subject to the approval of the employee's health care provider.

Submit Medical Certifications Supporting Need for FMLA Leave (Unrelated to Requests for Military Family Leave)

Depending on the nature of FMLA leave sought, employees may be required to submit medical certifications supporting their need for FMLA-qualifying leave. As described below, there generally are three types of FMLA medical certifications: an **initial certification**, a **recertification**, and a **return to work/fitness for duty certification**.

It is the employee's responsibility to provide the Company with timely, complete and sufficient medical certifications. Whenever the Company requests employees to provide FMLA medical certifications, employees must provide the requested certifications within 15 calendar days after the Company's request, unless it is not practicable to do so despite an employee's diligent, good faith efforts. The Company shall inform employees if submitted medical certifications are incomplete or insufficient and provide employees at least seven calendar days to cure deficiencies. The Company will deny FMLA leave to employees who fail to timely cure deficiencies or otherwise fail to timely submit requested medical certifications.

With the employee's permission, the Company (through individuals other than an employee's direct supervisor) may contact the employee's health care provider to authenticate or clarify completed and sufficient medical certifications. If employees choose not to provide the Company with authorization allowing it to clarify or authenticate certifications with health care providers, the Company may deny FMLA leave if certifications are unclear.

Whenever the Company deems it appropriate to do so, it may waive its right to receive timely, complete and/or sufficient FMLA medical certifications.

Initial Medical Certifications

Employees requesting leave because of their own, or a covered relation's, serious health condition, or to care for a covered service member, must supply medical certification supporting the need for such leave from their health care provider or, if applicable, the health care provider of their covered family or service member. If employees provide at least 30 days' notice of medical leave, they should submit the medical certification before leave begins. A new initial medical certification will be required on an annual basis for serious medical conditions lasting beyond a single leave year.

If the Company has reason to doubt initial medical certifications, it may require employees to obtain a second opinion at the Company's expense. If the opinions of the initial and second health care providers differ, the Company may, at its expense, require employees to obtain a third, final and binding certification from a health care provider designated or approved jointly by the Company and the employee.

Medical Recertification

Depending on the circumstances and duration of FMLA leave, the Company may require employees to provide recertification of medical conditions giving rise to the need for leave. The Company will notify employees if recertification is required and will give employees at least 15 calendar days to provide medical recertification.

Return to Work/Fitness for Duty Medical Certifications

Unless notified that providing such certifications is not necessary, employees returning to work from FMLA leaves that were taken because of their own serious health conditions that made them unable to perform their jobs must provide the Company medical certification confirming they are able to return to work and the employees' ability to perform the essential functions of the employees' position, with or without reasonable accommodation. The Company may delay and/or deny job restoration until employees provide return to work/fitness for duty certifications.

Submit Certifications Supporting Need for Military Family Leave

Upon request, the first time employees seek leave due to qualifying exigencies arising out of the active duty or call to active duty status of a covered military members, the Company may require employees to provide:

- A copy of the covered military member's active duty orders or other documentation issued by the military indicating the covered military member is on active duty or call to active duty status and the dates of the covered military member's active duty service; and

- A certification from the employee setting forth information concerning the nature of the qualifying exigency for which leave is requested. Employees shall provide a copy of new active duty orders or other documentation issued by the military for leaves arising out of qualifying exigencies arising out of a different active duty or call to active duty status of the same or a different covered military member.

When leave is taken to care for a covered service member with a serious injury or illness, the Company may require employees to obtain certifications completed by an authorized health care provider of the covered service member. In addition, and in accordance with the FMLA regulations, the Company may request that the certification submitted by employees set forth additional information provided by the employee and/or the covered service member confirming entitlement to such leave.

Substitute Paid Leave for Unpaid FMLA Leave

Employees will be required to take disability benefits for approved medical reasons. The substitution of paid time such as disability pay or workers' compensation, for unpaid FMLA leave time does not extend the length of FMLA leaves and the paid time will run concurrently with an employee's FMLA entitlement.

Pay Employee's Share of Health Insurance Premiums

As noted above, during FMLA leave, employees are entitled to continued group health plan coverage under the same conditions as if they had continued to work. Unless the Company notifies employees of other arrangements, whenever employees are receiving pay from the Company during FMLA leave, the Company will deduct the employee portion of the group health plan premium from the employee's paycheck in the same manner as if the employee was actively working. If FMLA leave is unpaid, employees must pay their portion of the group health premium through **a payment plan arranged by Human Resources.**

The Company's obligation to maintain health care coverage ceases if an employee's premium payment is more than 30 days late. If an employee's payment is more than 15 days late, the Company will send a letter notifying the employee that coverage will be dropped on a specified date unless the co-payment is received before that date. If employees do not return to work within 30 calendar days at the end of the leave period (unless employees cannot return to work because of a serious health condition or other circumstances beyond their control) they will be required to reimburse the Company for the cost of the premiums the Company paid for maintaining coverage during their unpaid FMLA leave.

Conducting Other Business while on Leave of Absence

Employees who accept other employment or go into business while on leave of absence from the Company will be considered to have voluntarily resigned from employment with the Company as of the date on which the leave of absence began. However, all State or Federal law will be followed in specific situations.

Coordination of FMLA Leave with Other Leave Policies

The FMLA does not affect any federal, state or local law prohibiting discrimination, or supersede any State or local law which provides greater family or medical leave rights. For additional information concerning leave entitlements and obligations that might arise when FMLA leave is either not available or exhausted, please consult your Human Resources Representative for any available options.

Questions and/or Complaints about FMLA Leave

If you have questions regarding this FMLA policy, please contact Human Resources. The Company is committed to complying with the FMLA and, whenever necessary, shall interpret and apply this policy in a manner consistent with the FMLA.

The FMLA makes it unlawful for employers to: 1) interfere with, restrain, or deny the exercise of any right provided under FMLA; or 2) discharge or discriminate against any person for opposing any practice made unlawful by FMLA or involvement in any proceeding under or relating to FMLA. If employees believe their FMLA rights have been violated, they should contact the Human Resources Department immediately. The Company will investigate any FMLA complaints and take prompt and appropriate remedial action to address and/or remedy any FMLA violation. Employees also may file FMLA complaints with the United States Department of Labor or may bring private lawsuits alleging FMLA violations.

Military Leave

A military leave of absence will be granted to any employee who is absent from work because of service in the U.S. uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act (USERRA). Advance notice of military service is required, unless military necessity prevents such notice, or it is otherwise impossible or unreasonable.

Military Leave less than 31 days and/or Reserves Duty

Employees who serve in U.S. military organizations or state militia groups may take the necessary time off without pay to fulfill this obligation. You will retain your legal rights for continued employment under existing state and federal laws. You may use PTO to cover your absence but are not required to do so. Subject to the terms, conditions and limitations of the applicable plans, PAX will continue to provide medical, dental, vision, life and disability insurance benefits (if you are enrolled) while you are on short-term military leave; however, you are required to pay your portion of premiums in advance, or through payroll deductions upon your return.

You are expected to notify your manager and apply as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during your absence.

You are required to return to work for the first regularly scheduled workday after the end of service, allowing reasonable travel time. If, through no fault of your own, reporting back within that date is impossible or unreasonable, contact your Supervisor with your planned return date.

Extended Military Leaves (greater than 31 days)

You are expected to notify your manager and apply as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during your absence. The leave will be unpaid. However, you may use any available paid time off for the absence.

Continuation of health insurance benefits is available as required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plans for which you are otherwise eligible. Life and disability insurance will continue during the period you are on extended military leave. Benefit accruals, such as PTO, will continue for a maximum of thirty (30) days. After thirty (30) days on leave of absence, benefit accruals will be suspended until you resume active employment.

When you are released from active duty, you must apply for reinstatement in accordance with USERRA and applicable state laws. You are eligible for reemployment after completing military service provided that:

- You were on approved Military Leave of Absence
- You satisfactorily completed your active duty service
- You entered the military service directly from your employment with PAX

Upon reemployment, you will be placed in the position you would have attained had you remained continuously employed, or a comparable one, depending on the length of military service in accordance with USERRA. You will be treated as though you were continuously employed for purposes of determining benefits based on length of service.

Contact the Company for more information or questions about military leaves.

EMPLOYEE CONDUCT POLICIES

Standards of Conduct

PAX expects employees and contractors to follow rules of appropriate conduct that will protect the interests and safety of employees and the organization. Consequently, we expect employees to always observe the highest standards of professionalism.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including immediate termination of employment.

- Theft or inappropriate removal or possession of property
- Falsification of Company records; including but not limited to employment application and attendance records
- Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating Company-owned or provided vehicles or equipment
- Fighting, bullying, or threatening violence in the workplace, including abusive or threatening language, against anyone on company or customer premises
- Gambling, possession of or using dangerous or unauthorized materials, such as explosives or firearms or any type of weapon on company property, during a company function, or during working hours including customer locations facilities and parking lots
- Negligence or improper conduct leading to damage of Company-owned or customer owned property
- Unauthorized personal use of company time, materials, or equipment, including without limitation telephones, all forms of electronic media, vehicles, credit cards or other company property
- Insubordination or other disrespectful conduct, including language
- Soliciting for or against any cause or organization, distribution of any literature, posting or removing notices, signs, or memoranda without prior approval of Management
- Unsuitable or improper attire for work situations and/or failing to exhibit a neat, businesslike appearance and high degree of personal cleanliness
- Violation of safety, health rules, this handbook or company policies

- Sleeping during work time or leaving one's work area, job assignment, or department during work hours without proper authorization and/or being in an unauthorized area
- Failure to observe work schedules including but not limited to rest and meal breaks
- Sexual or other forms of unlawful or unwelcome harassment
- Excessive absenteeism or any absence without notice
- Unauthorized disclosure of "business secrets" or confidential information
- Unsatisfactory performance or conduct.
- **Deceptive** practices and/or communication. This includes making false or fraudulent statement(s), providing false pretense, making a false promise, or misleading statement, misrepresenting a fact, omitting a material fact, or failing to make all reasonable disclosures
- Unfair or mistreatment of customers that could lead to a decrease with customer trust and advocacy.
- Negative customer interactions that are deemed against PAX's core values and goals.
- Violation of any policies as stated in the handbook or other means
- Failure to cooperate fully, promptly and truthfully in a Company-initiated investigation relating to any misconduct

Drug and Alcohol Use

It is PAX's desire to provide a drug-free, healthful, and safe workplace. To promote this goal, you are required to report to work in appropriate mental and physical condition to perform your job in a satisfactory manner.

While on PAX premises, and while conducting business-related activities off PAX premises, you may not use, possess, distribute, sell, or be under the influence of illegal drugs, recreational defined drugs and marijuana, including prescription drugs used without a current prescription or in a manner inconsistent with medical directives including medically prescribed marijuana. Also, while on PAX 's premises and while conducting business related activities off PAX 's premises, you may not be under the influence of alcohol. The legal use of prescribed drugs is permitted on the job, only if it does not impair your ability to perform the essential functions of the job effectively, and in a safe manner that does not endanger you or other individuals in the workplace.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

To inform employees about important provisions of this policy, PAX has established a drug-free work place. Consistent with applicable law, the Company may test current employees' post-accident, if there is reasonable suspicion of drug or alcohol abuse, and randomly. Such testing may be initiated on a Company-wide basis, or individually if there is reasonable cause to suspect drug abuse or at time of workplace injury. Testing is conducted in a manner that provides maximum privacy and reliability.

If you have questions or concerns about substance dependency or abuse, you are encouraged to discuss these matters with your Supervisor, or his/her representative to receive assistance or referrals to appropriate resources in the community.

If you have a drug or alcohol problem that has not resulted in disciplinary action, including pending investigations that may lead to disciplinary action, you may request approval to take a Personal Leave to participate in a rehabilitation or treatment program through the Company's or other health insurance benefit coverage. Leave may be granted if you agree to abstain from use of the problem substance; abide by PAX's policies, rules, and prohibitions relating to conduct in the workplace; and if granting the leave will not cause PAX any undue hardship.

You may contact management with questions, concerns or issues related to drug or alcohol use in the workplace without fear of reprisal.

Smoke-Free Workplace

All offices of the Company are smoke-free workplaces as well as the entire building. The Company's "no smoking policy" precludes the use of all tobacco products, (including e-cigarettes, chewing, medical or recreational marijuana, cigars and vapor products) in the workplace.

This prohibition extends to all offices and surrounding outside areas and property, stairwells, restrooms, entry and exit ways, break rooms, Company vehicles, and client sites. This policy applies equally to all employees, Clients, and visitors. All employees share the responsibility for adhering to and enforcing the policy. Any problems should be brought to the attention of Company management.

Attendance and Punctuality

To maintain a productive and fair work environment, PAX expects you to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on PAX, and regular attendance to your job responsibilities is an essential function of all jobs at PAX. In the rare instances when you cannot avoid being late to your work schedule, or are unable to work as scheduled, you should notify your immediate supervisor directly, prior to your start time or in an emergency within two hours of your anticipated tardiness or absence. If you are unable to call in because of illness or emergency, have someone call for you. Should the supervisor not be available, you should leave a message including a telephone number where you can be reached. You will monitor that phone at all times, and if you need to switch phones, call your supervisor immediately.

Absence from work for two (2) consecutive days without notifying your supervisor will be considered a voluntary resignation. If you are absent for three (3) or more successive days due to illness, you may be asked to provide written documentation from your physician stating you are able to return to work. If you believe your absence will be five (5) or more consecutive days due to illness or injury, you should inform your Supervisor. At any time, your supervisor can request that you provide a physician's note on your inability to work and/or ability to return to work.

PAX would like you to be ready for work at the beginning of your assigned daily work hours, and to reasonably complete your assignments by the end of the workday. Please let your manager know if you will be away from your work area for an extended period of time and when you expect to return. Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including immediate termination of employment.

Personal Appearance

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the professional business image PAX presents to Clients, prospect, partners and visitors.

During business hours or when representing PAX, employees are expected to dress and groom themselves according to the requirements of their position. All employees must wear appropriate clothing, be well groomed, and observe high standards of personal hygiene.

Shorts and capris are acceptable in the workplace so long as they conform to certain professional guidelines.

Pants are to be worn at or above the waist at all times while on company property.

Employees working in the warehouse shall not wear loose clothing or open toed shoes. Additionally, employees are not to wear jewelry that may cause hindrance to the employee's performance or safety on the job. Long necklaces or lanyards that can become caught up while operating the forklift are prohibited.

Employees are urged to use their discretion when determining what is appropriate to wear to work. Employees who wear inappropriate attire to work will be sent home to change their clothing. Please practice good hygiene and be mindful of no body odor. Clothing should not have any inappropriate pictures or sayings on them. Questions regarding appropriate workplace attire should be directed to your supervisor or Human Resources.

A list of examples (not all-inclusive) of attire that is not permitted include:

- Super low-cut blouses/shirts
- Athletic leggings
- Sweatpants
- Clothing with large holes, rips, or is see-through (i.e., distressed jeans, tight shirts)
- Miniskirts above mid-thigh
- Crop tops/other tops that show the midriff
- Strapless, backless, dresses/tops
- Flip-flops/slippers
- Graphic shirts with cartoons or inappropriate content

Employees who appear for work inappropriately dressed will be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work. If the problem persists, this may lead to disciplinary action, up to and including termination of employment.

Resignation

Resignation is a voluntary act initiated by the employee to terminate employment with PAX. PAX requests at least two (2) weeks' written resignation notice from employees. PAX reserves the right to preclude an employee from working out the two (2) weeks' notice period and make the resignation effective immediately with or without pay.

Any employee that does not show up to work for two (2) consecutive days without calling and personally getting in touch with management will be considered to have voluntarily terminated. Anyone who has not work for 120 consecutive days, even due to disability will be considered voluntarily terminated unless in compliance with a federal, state or local law.

Prior to an employee's departure, an exit interview may be scheduled to discuss the effect of the resignation and benefits.

Solicitation and Distribution

Solicitation and/or distribution of material by an employee to another employee is prohibited while either employee is on "work time." "Work time" is all time when an employee is required or expected to be engaged in work tasks. Solicitation includes, but is not limited to, sale of raffle tickets, household goods (such as Avon products), food products or personal items, as well as appeals for charitable contributions. In addition, distribution of literature is prohibited in work areas at all times.

Bulletin boards and the Company intranet are reserved for official Company communications on such items as:

- Employment Posters
- Employee announcements
- Internal memoranda
- Organization announcements
- Workers' compensation insurance information
- State disability insurance/unemployment insurance information

Disciplinary Action

We believe in administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels. The goal of discipline is not to punish, but to help correct unacceptable behavior.

PAX's own best interest lies in ensuring fair treatment of employees, and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

PAX may use progressive discipline at its discretion or may immediately terminate an employee at its discretion. While every situation is different, we generally believe in progressive discipline.

Disciplinary action may call for any of four steps - verbal warning, written warning, suspension with or without pay, or termination of employment, depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to disciplinary problems that the Supervisor needs you to be aware of to fix, to be deemed a satisfactory employee, these steps will normally be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and still another offense may then lead to termination of employment.

Of course, there are certain issues that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Standards of Conduct policy includes examples of problems that may result in immediate suspension or termination of employment. There are other examples within that listing of unsatisfactory conduct that may trigger progressive discipline or termination.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and PAX.

Access

Keys to Company buildings, offices, access cards, access codes, and passwords are issued solely to enable employees to perform their job duties. Such items and information shall be kept in a safe and secure manner and shall not be duplicated, loaned, shared, or given away to anyone not authorized to possess them, including clients and other employees. Employees must promptly report when these items are lost or damaged and seek to have forgotten codes and passwords reset. Employees may be responsible for replacement costs for new keys and access cards. Upon termination you must return all access devices to your manager.

The last employee, or a designated employee, who leaves the office at the end of the business day assumes the responsibility to ensure that: all doors are securely locked; the alarm system is armed; thermostats are set on appropriate evening and/or weekend setting; and all appliances and lights are turned off.

Workplace Etiquette

We strive to maintain a positive work environment where employees treat each other with respect and courtesy. Sometimes issues arise when employees are unaware that their behavior in the workplace may be disruptive, offensive or annoying to others. Many of these day-to-day issues can be addressed by politely talking with a co-worker to bring the perceived problem to his or her attention.

In most cases, common sense will dictate an appropriate resolution. PAX encourages employees to keep an open mind, and graciously accept constructive feedback or a request to change behavior, that may be affecting another employee's ability to concentrate and be productive.

The following workplace etiquette guidelines are not necessarily intended to be hard and fast work rules with disciplinary consequences. They are simply suggestions for appropriate workplace behavior to help everyone be more conscientious and considerate of co-workers and the work environment. Please contact your Supervisor if you have comments, concerns, or suggestions regarding these workplace etiquette guidelines.

- Return copy machine and printer settings to their default settings after changing them.
- Replace paper in the copy machine and printer paper trays when they are empty.
- Retrieve print jobs in a timely manner and be sure to collect your pages.

- Keep the area around the copy machine and printers orderly and picked up.
- Avoid public accusations or criticisms of other employees. Address such issues privately with those involved or your Supervisor.
- Try to minimize unscheduled interruptions of other employees while they are working.
- Keep mass distribution of email to an absolute minimum so as not to disturb others.
- Be conscious of how your voice travels and try to lower the volume of your voice when talking on the phone or to others in open areas.
- Keep socializing to a minimum and try to conduct conversations in areas where the noise will not be distracting to others.
- Minimize talking between workspaces. Instead, conduct conversations with others in their workspace.
- Refrain from using inappropriate language (swearing) that others may overhear.
- Avoid discussions of your personal life/issues in public conversations that can be easily overheard.
- Monitor the volume when listening to music, voice mail, or a speakerphone that others can hear.
- Clean up after yourself and do not leave behind waste or discarded papers.
- If you smoke, keep your break to one in the morning and one in the afternoon following the break policy in this Handbook. Be respectful of time away from work, within the limits of your breaks and far away from others outside the building. Never in sight of Clients.

Weapons

Employees may not, at any time while on any property owned, leased, or controlled by PAX, including anywhere that company business is conducted, such as customer locations, client locations, trade shows, restaurants, company event venues, and so forth, possess or use any weapon. **Legally owned weapons must be locked in the employee's automobile while on company property.**

Weapons include, but are not limited to, guns, knives or swords with blades over four inches in length, explosives, and any chemical whose purpose is to cause harm to another person.

Regardless of whether an employee possesses a concealed weapons permit (CWP) or is allowed by law to possess a weapon, weapons are prohibited on any company property or in any location in which the employee represents the company for business purposes, including those listed above.

Possession of a weapon can be authorized by PAX's CEO and President in writing to allow security personnel or a trained employee to have a weapon on company property when this possession is determined necessary to secure the safety of company employees. Employees who violate this policy will be subject to disciplinary action, up to and including termination.

Facilities & Safety

Safety Concerns

Safety is everyone's business. Safety is given primary importance in every aspect of planning and performing PAX's activities. We want to protect you against injury and illness. Please follow our established safety policies. If you are ever in doubt about how to safely perform a job or task, it is your responsibility to ask your Supervisor for assistance.

Parking Lot and Garage

Courtesy and common sense in parking will help eliminate accidents, personal injuries and damage to vehicles. If you should damage a car while parking or leaving, immediately report the incident, along with the license number of both vehicles, and any other pertinent information to your Supervisor. PAX is not responsible for any loss, theft, or damage to your vehicle or its contents.

Work Areas

Keep cabinet doors, desk drawers and files closed when not in use. Open only one drawer at a time. Keep personal items such as briefcases, handbags, and wallets out of site or locked in a cabinet or desk. PAX is not responsible for any loss, theft or damage to your personal effects.

WAREHOUSE ACCESS POLICY AND PROCEDURE

The PAX Jacksonville Office has a large warehouse where it houses terminals for shipment, the Shipping Department and Personnel, and the Repair Team.

Due to the secure nature of the Warehouse, only Authorized Personnel will have access to enter the Warehouse. Authorized Personnel includes: the Shipping Personnel, Repair Team, Andy Chau, and Ryan Zhou.

If an employee requires access to the Warehouse for business related activities, that employee **MUST** sign in at the Warehouse entrance; stating their reason requiring access to the Warehouse and who they are visiting. The Authorized Personnel must escort the employee around the Warehouse at all times.

Any questions regarding this Warehouse Access Policy and Procedure should be directed to your manager.

Fire Prevention

Know the location of the fire extinguisher(s) and nearest exits in your area. Notify your manager if an extinguisher is used or if the seal is broken. Make sure flammable liquids are stored in appropriate and approved labeled safety cans and are not exposed to any ignition source. In case of fire, dial 911 immediately and contact your Supervisor, or his /her representative immediately.

Housekeeping

You are expected to keep your work area neat and orderly. Clear your desktop and

work surface at the end of each workday. Restrooms in PAX facilities are for everyone's use, please do your part to keep them clean. If you spill a liquid, clean it up immediately. Do not leave objects on the floor that may cause others to trip or fall. Keep aisles, stairways, exits, electrical panels, fire extinguishers, and doorways clear. Please report anything that needs repair or replacement to your manager immediately.

Security

Maintaining the security of PAX's property is every employee's responsibility. Always keep cash and personal property secured. Shred or otherwise properly dispose of sensitive or Company or Customer confidential information. Use the proper entrances and exits and avoid unauthorized areas. When you leave the premises, make sure that entrances are properly locked and secured. PAX may exercise its right to inspect packages and parcels entering and leaving Company premises.

Clear desk and clear screen policy

PAX employees must follow a clear desk policy for papers and removable storage media and a clear screen policy for information processing facilities in order to reduce the risks of unauthorized access, loss of, and damage to information during and outside normal working hours.

Property & Equipment Care

It is your responsibility to understand the equipment needed to perform your duties. Under no circumstances should you operate a device or vehicle you deem unsafe, nor should you modify or disable any safeguards provided.

STATE SPECIFIC PROVISIONS

Below are some specific policies for key employment laws in specific states. If this handbook does not cover a specific local or state law, the Company will be in compliance of those laws for the employees it relates to. We as a Company will comply with all local, state and federal employment laws.

Medical Leave in California

Employees in California are also eligible, in addition to leave under the FMLA, for leave benefits under the California Family Rights Act ("**CFRA**"). CFRA eligible employees may take unpaid leave to care for a parent, spouse, or child with a serious health condition. CFRA leave may also be taken for the employee's own serious health condition, and for bonding with an adopted, foster, or newborn child. CFRA leave runs concurrently with FMLA, except in connection with baby bonding.

To be eligible for CFRA leave, an employee must be either a full-time or part-time employee working in California, have more than 12 months of service with the Company, have worked at least 1250 hours in the 12-month period before the date the leave begins, and work at a location in which the Company has at least 50 employees within a 75-mile radius of the employee's worksite.

Paid Family Leave "PFL" in California

Employees in the state of California are eligible to file a claim with the State of California to receive paid family leave benefits. The employees can file for PFL benefits and receive partial replacement of wages for up to six (6) weeks when they are unable to perform regular duties and suffer a loss in wages when taking time off work to: (i) care for a seriously ill child, spouse, parent or domestic partner; or (ii) for the birth, adoption, or foster care placement of a new child. Any employee covered under a state disability insurance plan may apply for PFL benefits. For full plan details please contact the Human Resources Department.

Pregnancy Disability Leave (PDL) in California

In California, employees who are actually disabled by their pregnancy are eligible for up to four (4) months of PDL per pregnancy. Leave can be taken before or after birth during any period of time the woman is physically unable to work because of pregnancy or a pregnancy-related condition. PDL includes time off for prenatal care, severe morning sickness, doctor-ordered bed rest, childbirth, recovery from childbirth, or any related medical condition.

The four (4) month period is calculated in hours and is defined as one-third of a year or 17-1/3 weeks. A full-time employee working 40 hours per week is entitled to 693 hours of leave. A part-time employee working 20 hours per week is entitled to 346.6 hours of leave. Time may be taken in hour increments.

An employee who is on PDL will retain the same health benefits that she enjoyed prior to taking leave. An employee taking pregnancy disability leave has the right to reinstatement, unless the employee would not have held the position at the time due to legitimate business reasons, such as a reduction-in-force.

There is no minimum time for which an employee must have been employed in order to take PDL. PDL does not change, alter, modify or supplant the Company's requirement to provide reasonable accommodation to an employee who is disabled by pregnancy or who is disabled by pregnancy and has expired her PDL.

Time Off to Attend Judicial Proceedings in California

A California employee who is a victim or related to a victim of violent crimes or certain felonies including those involving theft or embezzlement may take unpaid time off from work to attend judicial proceedings related to the crime. To qualify, the crime victim must be the employee or employee's spouse, child, stepchild, brother, stepbrother, sister, stepsister, mother, stepmother, father, stepfather, or registered domestic partner. Where feasible, the employee must give reasonable notice to attend the judicial proceeding. Time off is unpaid unless the employee elects to use accrued PTO.

School or Day Care Activities in California

A California employee who is a parent or guardian will be given time off from work to participate in their child's school activities. This policy applies to children in grades K through 12. Reasonable notice must be given for time off. Up to forty (40) hours in each school year, limited to eight (8) hours within a 1-month period, may be taken. The employee must utilize PTO or take the time off without pay.

Child's Suspension in California

A California employee who is a guardian or parent of a child who has been suspended from school will be allowed to take unpaid time off to appear at the school in connection with that suspension. Accrued PTO may be used for this purpose or the time can be taken as unpaid. Employees are required to give the Company reasonable notice of their need to take time off.

Crime or Domestic Violence Victims Time Off in California

A California employee who is a victim of domestic violence may take unpaid time off from work to obtain a temporary restraining order, restraining order, or other relief to help ensure the health, safety or welfare of themselves or their children. In addition, an employee who is a victim of a crime may take unpaid time off to appear in court as a witness in compliance with a subpoena or other court order. Employees must give reasonable notice of the need to take time off, except in emergency circumstances. Accrued PTO may be used during time off for this purpose or the time can be taken as unpaid.

Paid Leave for Organ or Bone Marrow Donors in California

The Company provides up to thirty (30) days of paid leave for California employees making organ donations, and up to five (5) days of paid leave for employees making bone marrow donations. Employees taking organ donation leave must first use any available accrued PTO for the first two weeks of leave; employees taking bone marrow donation leave must first use any available accrued PTO for the first five (5) days of leave. The employee may take the time off all at once, or incrementally.

To be eligible for leave under this policy, an employee must provide notice to the Company Human Resources Department and supervisor within a reasonable amount of time, consisting of a written verification from a physician that he or she is an organ or bone marrow donor, and that there is medical necessity for the donation.

During this paid leave, an employee is entitled to continue receiving group health coverage and will continue to accrue paid time off and other benefits as if he or she had continued working. Leave taken under this policy may not be taken concurrently with leave taken pursuant to the Family and Medical Leave Act or the California Family Rights Act.

Employees returning from a donor leave are entitled to reinstatement to the same or an equivalent position, consistent with applicable law.

Civil Air Patrol Leave in California

California employees who volunteer as part of the California Wing of the civilian auxiliary of the United States Air Force (known as "**Civil Air Patrol**") may be entitled to an unpaid leave of absence to respond to certain emergency situations. Eligible employees may take up to ten (10) days per calendar year of unpaid Civil Air Patrol Leave to respond to an emergency operational mission of the California Wing of the Civil Air Patrol. Leave is limited to three days on any one occasion but may be extended if authorized by the government entity that called for the mission and if the Company agrees. This leave is not applicable to employees who are required to respond to emergency operational missions as a first responder or disaster service worker for a local, state, or federal agency.

To be eligible for leave under this policy, the employee must have been employed by the Company for at least ninety (90) days immediately preceding commencement of the leave. An employee is required to provide the Company with as much notice as possible of the intended leave dates. The Company may require an employee to submit certification from the Civil Air Patrol to verify his/her eligibility.

During this leave, employees may elect to substitute paid time off if available. Upon expiration of this leave, an employee is entitled to reinstatement to the same or an equivalent position, consistent with applicable law.

Meal and Rest Breaks in California

In California, all Non-exempt employees are entitled to take an off-duty, thirty-minute meal break no later than the end of the fifth hour of work, and a second off-duty, thirty-minute meal break after ten hours of work, unless the second meal period is waived by the employee in writing and approved by management and only under specific requirements that you cannot leave your work site. For those in a critical field job a Meal Period waiver form is provided and can be found on the Employee website. This waiver may be revoked by the employee at any time in writing submitted to the Human Resources Department.

The Company does not allow employees to ignore meal periods, or for employees to combine rest periods with meal periods or allow employees to skip rest period in order to use the time to leave work early.

Non-exempt employees are required to take meal and rest breaks. Meal and rest periods are intended to be periods of relieved time where no work is being performed. Employees who reside in states with specific meal and rest break requirements must adhere to the state regulations. Failure to abide by these rules will result in disciplinary action, up to and including termination of employment.

Non-exempt employees are required to track their hours worked and meal breaks via the timekeeping system. If a time stamp is missed, employees are required to immediately inform their manager for approval and adjustment. Employees are entitled to a ten (10) minute rest break for every four (4) hours worked, or major portion thereof. These periods are paid time and do not need to be tracked in the timekeeping system.

If there is a compelling reason on a particular day that causes an employee to be unable to take a timely and complete meal or rest period, the circumstances must be noted on the Time Adjustment Form. It is necessary to have a written explanation if a meal or rest period is missed, shortened or late so that the Company can determine the cause and help resolve the issue. It is the responsibility of the employee to manage and take their breaks.

Non-exempt employees are entitled to take 10 minutes of rest for each four hours of work or major fraction thereof. Employees can calculate the number of rest periods to which they are entitled by taking the number of hours worked, divided by 4, rounded down if the fractional part is half or less than half and up if it more, times ten minutes. rest period time per shift (with each 10-minute increment offered as a separate break):

- 10 minutes' rest for shifts from 3-1/2 to 6 hours in length;
- 20 minutes' rest for shifts of more than 6 hours up to 10 hours;
- 30 minutes' rest for shifts of more than 10 hours up to 14 hours;
- Additional rest time calculated per the formula.

Under the formula, Employees working less than 3-1/2 hours are not entitled to a rest period. An employee working 8 hours is entitled to take two 10-minute rest periods.

The Company does not allow employees to ignore meal periods, or for employees to combine rest periods with meal periods or allow employees to skip rest period in order to use the time to leave work early.

PTO in California

This policy supplements the PTO policy earlier in this handbook. California employees are allowed to be paid out their accrued and unused PTO time. Also, they are authorized to roll over into the next year any unused PTO time. Their annual maximum accrual may be 1.5 times their annual accrual and will be capped at that amount.

Sick Leave Pay in California or Arizona

The company provides Personal Time Off (PTO) as listed above for full time employees. The hours for sick leave are bundled into your PTO accrual. The hours are accrued as PTO and you have available 24 hours at the beginning of each calendar year. These hours are to be considered days for sickness needs known as sick time. These are also considered sick days for emergency call-ins with your inability to work due to sickness. Sick pay can be used for preventive care for the employee or a family member, as well as for diagnosis, care or treatment of the employee or their immediate family member. Family member means a (1) child, (2) parent, (3) spouse, (4) registered domestic partner, (5) grandparent, (6) grandchild, or (7) sibling.

Sick time can be taken in minimum of thirty (30) minute increments. Unused sick time will roll-over into the next calendar year and is capped at 40 hours. Sick hours are not paid out upon separation. Accruals will start upon reaching 30 days worked from start of your employment and may be taken after 90 days of employment. PTO accruals shown on your pay stub reflects the sick time accrual as well.

Paid Family Leave (PFL) in New Jersey

Employees in the state of New Jersey are eligible to file a claim with the State of New Jersey to receive paid family leave benefits. The employees can file for PFL benefits and receive partial replacement of wages for up to six (6) weeks when they are unable to perform regular duties and suffer a loss in wages when taking time off work to: **(i)** care for a seriously ill child, spouse, parent or domestic partner; or **(ii)** for the birth, adoption, or foster care placement of a new child. Any employee covered under a state disability insurance plan may apply for PFL benefits. For full plan details please contact the Human Resources Department.

Employees in Other States or Locations

In states other than California in which PAX conducts business, additional or different policies and laws may be provided from those explained above, including, in some cases, special protections for pregnancy and disability due to pregnancy. Employees having questions about their entitlement to leave, should contact the Human Resources Department.

For some location facility specific information may supplement this Handbook. That information will be provided to those employees as needed.

State Disability Insurance

Some states offer disability insurance in the event illness or injury prevents an employee from doing their regular and customary work. This insurance is designed to provide employees with a portion of their regular wages while they are disabled. Elective surgeries, pregnancy, and childbirth may also be considered disabilities under applicable state law. There is often a waiting period that must be completed for eligibility and each state has its own rules governing such coverage. In states that provide this insurance, any other disability insurance will be offset by this payment.

HANDBOOK ACKNOWLEDGMENT FORM

The employee handbook describes important information about PAX Technology, Inc. (PAX) or (Company), and I understand that I should consult my supervisor regarding any questions not answered in the handbook. I have entered my employment relationship with PAX voluntarily and acknowledge that there is no specified length of employment. Accordingly, either PAX or I can terminate the relationship at will, with or without cause. I understand the policy of employment-at-will may only be altered if in writing and signed by me and the CEO of the Company.

Since the information, policies, procedures, and benefits described in the handbook are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to PAX's policy of employment-at-will. Future handbook changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only a member of The Executive Team of PAX has the authority to adopt any revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and understand the policies contained in this handbook and any revisions made to it.

Employee's Name (Print):

Employee's Signature:

Date:

Rev: February 2022 ver.2