



Corporate Policies and Procedures

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Foreword

Welcome to Sevatec!

You were invited to join our staff from among many qualified applicants. We believe that our success as a company is dependent upon the quality of our staff. We hire individuals who can make valuable contributions to Sevatec's growth and success as they continue to develop personally and professionally. Our decision to select you to join us is a strong statement of our belief in your ability to contribute to our mutual success.

We view our employees as our most important asset. Although this is a common statement among companies, we try to act on that belief in our daily activities. We have designed the company policies and procedures as guidance for responsible individuals that support and supplement our culture.

Sevatec believes in open bi-directional internal communications and will try to provide multiple channels of communications in all directions. We emphasize learning and developing through daily activities, task forces and special projects and other developmental initiatives. We encourage you to be active in professional and community organizations. We ask that you regularly communicate your interests, suggestions, and concerns to your supervisor so that we can both benefit from your continued professional growth.

We are pleased that you joined Sevatec and look forward to your contributions to our mutual success in making it a place with a positive culture with supportive attitudes, of which all of us can be proud.

Intent

This Employee Handbook ("Handbook") is provided solely to make you aware of the general personnel procedures of The Company and is not intended to create an employment contract. It is not intended to be comprehensive or to address all the possible applications of, or exceptions to, the general policies and procedures described. Accordingly, if you have a question about Sevatec's policy on a topic not covered by the Handbook or if you have a question concerning the applicability of a policy or practice to you, you should contact the Vice President of Human Resources for assistance.

This Handbook, including all subsequent amendments or revisions, generally explains Sevatec's policies and procedures, but no statement in this Handbook entitles an employee to a particular condition, benefit or procedure. Sevatec reserves the right to modify, discontinue, or delete all policies, procedures, and benefits contained in this Handbook at any time, with or without notice.

Also keep in mind that some of the information provided in this Handbook is covered in detail in written insurance policies and benefit plans. Please note that the terms of the written insurance policies and benefit plans, not this Handbook, are controlling. This Handbook does not change or otherwise interpret the terms of the official plan documents. To the extent that any of the information contained in this Handbook is inconsistent with the official plan documents, the provisions of the official documents will govern in all cases.

Definitions

- The term "employee" as used throughout this manual means those employees of Sevatec.
- The term "employment" as used throughout this manual means your employment with Sevatec.
- The term "company" as used throughout this manual means Sevatec, Inc.
- The term "Human Resources" as used throughout this manual means the Human Resources department. The Human Resources department may, at its discretion, delegate responsibilities contained in these policies to other supervisory personnel.

1.0 Corporate Overview

1.1 Introduction

An interesting and challenging experience awaits you as an employee of Sevatec, Inc. We have written this manual to answer some of the questions you may have concerning the policies of the company. Please read it thoroughly and retain it for future reference. Should you have any questions regarding any policy, please ask the Vice President of Human Resources for assistance.

1.1.1 Mission Statement

Trusted talent, inspired to serve, partnered with government, to protect and improve the lives of Americans.

1.1.2 Vision Statement

We serve federal customers that protect and improve the lives of Americans with mission critical, transformational solutions, which benefit our fellow citizens and save money for the U.S. taxpayer.

1.1.3 Core Values (Direct)

Core Values (Direct)

- **Dedication to the Client Mission**
 - A full commitment to ensuring the vital client mission is achieved.
 - Working side-by-side with our clients to overcome obstacles towards a common purpose.
 - Introducing innovations and efficiencies that advance mission attainment.
- **Integrity Without Compromise**
 - Making decisions in the best interest clients, colleagues, partners, and the firm.
 - Conducting ourselves in an ethical, honest, and faithful manner at all times.
 - Keeping commitments, promises, and our word.
- **Results That Matter**
 - Solve problems through innovation.
 - Focusing on outcomes in all that we do.
 - A common passion for delivering best value in serving our country and the American people.
 - Being entrepreneurial and creative.
- **Excellence in Every Activity**
 - Demonstrating professionalism and a strong work ethic.
 - Being dependable, accurate, and timely in every activity.
 - Always learning and continuously improving.
 - Delivering quality work products that exceed expectations.
- **Commitment to Service**
 - Living the meaning of “Seva” – a lifelong commitment to serving others.
 - Serving our clients, partners, colleagues, and community with honor and respect.
 - Saying the right things and doing what we say.
- **Teamwork for Success**
 - Sharing and transferring information and knowledge.
 - Appreciating our colleagues and celebrating their success.
 - Establishing trust across all of our relationships.

2.0 Employment Policy

It is the policy of Sevatec to establish and maintain an "at-will" relationship with its workforce. Sevatec has established and continues to maintain an employment relationship that offers maximum flexibility for the employee and the corporation.

This policy shall take precedence over any other policy or practice of the company that may be deemed inconsistent with it.

Sevatec is committed to hiring people with the expertise, experience, aptitude and attitude to be high performers. We set very high standards of performance, contribution and behavior for all staff members. We are an equal opportunity employer.

Sevatec further believes its continuing growth and success requires excellent on-going communications and collaboration among all staff members. We expect managers and members of the executive team to routinely provide you with information on the company, its goals, and competition as well as with information about your position's responsibilities and your performance.

In return, we encourage you to provide your manager with information about assistance you need to effectively fulfill your duties and to make suggestions about improvements in workflow or problem resolution. We encourage you to communicate openly with other staff members across the company to address and resolve issues.

Sevatec has experienced rapid growth and success over the past several years because of its employees' strength and dedication to giving their best each day. It is Sevatec's desire to maintain this level of dedication and provide a positive environment to sustain this high-quality performance level and commitment to service. Your strength provides the company with capability to sustain this effort into our future.

Sevatec is an equal opportunity employer.

Definitions: None

3.0 General Policies

3.1 Equal Employment Opportunity and Affirmative Action Policy

It has been and will continue to be the policy of Sevatec to be an equal opportunity employer. Our objective is to recruit, hire, train and promote, into all job levels, the most qualified applicants without regard to race, color, religion, gender, sexual orientation, national origin, age, disability, veteran status or any other status condition protected by the applicable state or local law. Our objective standards are based on the individual's qualifications as they relate to the particular job vacancy.

All other personnel decisions such as compensation, benefits, transfers, layoffs, return from layoff, company sponsored training, and education will be administered without regard to race, religion, color, gender, sexual orientation, national origin, age, disability, or veteran's status, or any other status condition protected by the applicable state or local law.

Furthermore, it is company policy to take affirmative action to employ and to advance in employment qualified individuals with disabilities requiring reasonable accommodation, females, minorities, disabled veterans, and Vietnam era veterans.

The company is determined to ensure that staff members at all locations comply with both the spirit and intent of federal, state, and local laws, government regulations, and executive orders which relate to equal opportunity and affirmative action.

The Vice President of Human Resources is designated as EEO Coordinator, who will have overall responsibility for the implementation and monitoring of the policy. Sevatec endorses the Equal Employment Opportunity Policy and is committed that this Affirmative Action Program shall be continued throughout the Company.

As Equal Employment Opportunity Coordinator, the Vice President of Human Resources will periodically review the procedures established herein, and the practices of our company, to ensure that the spirit and integrity of our equal opportunity policies are faithfully followed and that progress is being achieved.

A staff member who believes that he/she has been the victim of discrimination or who has knowledge/evidence of discriminatory behavior is to report such conduct to their supervisor, executive team, or Vice President of Human Resources. Any questions or suggestions that you might have regarding the program should also be directed to the Vice President of Human Resources, or in the absence of this person, directly to the President.

Definitions: None

3.2 Policy on Employees with Disabilities

Sevatec will fully comply with all requirements of the Americans with Disabilities Act.

Our policy is to treat all applicants and employees without discrimination because of physical or mental disability regarding any position for which the employee is qualified and to treat them equally in all employment practices such as the following: rate of pay or other forms of compensation, benefits, training, upgrade, transfer or demotion, layoff or termination, and all other terms, conditions, and privileges of employment.

Sevatec will make reasonable accommodation to the physical or mental limitations of qualified applicants or employees with disabilities to enable them to perform essential job duties, unless such accommodation would impose an undue hardship on the operation of the company consistent with Federal and state laws.

Sevatec will maintain all company information regarding the medical condition or history of applicants, employees, and employees' dependents on separate forms and in separate locked files and will treat such information as confidential except with respect to those with a valid business reason to know the information and shall use the information only as permitted by law.

Definitions: None

3.3 Terms, Definitions, and Conditions of Employment

It is the policy of Sevatec to define the terms, definitions and conditions under which a person may be considered an employee of the company consistent with applicable federal, state, and local laws, regulations or codes. All employees are hired on an at-will basis and nothing within this manual shall constitute an employment contract.

3.3.1 Types of Employees

Sevatec employs a multi-tiered approach to the classification of its employees. Employees are initially classified as either exempt or non-exempt. They are then classified as either regular, temporary, or casual. Regular and temporary employees are further categorized as either full-time or part-time.

3.3.1.1 Non-exempt Employees

Non-exempt employees are those employees who are not exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act, a federal law which regulates wages and hours in interstate commerce, or by a state's wage and hour laws applicable to that employee. Generally, under federal or state wage and hour laws, covered non-exempt employees are entitled to overtime pay for all hours worked in excess of 40 hours per week.

3.3.1.2 Exempt Employees

Exempt employees are exempt from the minimum wage provisions of the Fair Labor Standards Act and an applicable state's laws. Generally, the Fair Labor Standards Act describes exempt employees as those who are paid a regular set salary which is not based on the number of hours worked, and who perform work falling within one of the Department of Labor statutory categories. Exempt employees are not entitled to overtime pay.

3.3.1.3 Regular Employees

Regular employment is not for a definite period of time and can either be on a full-time or part-time basis.

- **Regular full-time** employees are scheduled to work a regularly scheduled period of at least forty (40) hours per week and may participate in all Sevatec benefit plans, except where specifically excluded. Regular full-time employees are eligible for all leaves of absence provided by Sevatec. Regular full-time employees whose work schedule is fewer than thirty (30) hours per week will receive paid leave proportionate to the regularly scheduled number of hours in their normal work week.
- **Regular part-time** employees are employees scheduled to work a regularly scheduled period of less than forty (40) hours per week. Part-time employees who work thirty (30) or more hours per week, are eligible for company benefits including all legally mandated benefits (such as Social Security and Workers' Compensation insurance) and 401(K) Retirement Savings Plan. Part-time employees working more than thirty (30) hours and less than forty (40) hours per week receive pro-rated holiday and Paid Time Off (PTO). They are also eligible for service and recruiting awards.

3.3.1.4 Temporary Employees

Temporary employment represents a scheduled period of employment expected not to exceed six (6) consecutive months.

Temporary full-time employees are scheduled to work a regularly scheduled period of at least thirty (30) hours per week. Temporary full-time employees are eligible for Recruiting Awards but are not eligible for any other benefits offered by Sevatec. In the event a temporary full-time employee becomes a regular employee without an interruption in service, the employee's most recent date of hire is retained.

Temporary part-time employees are scheduled to work a regularly scheduled period of less than thirty (30), but at least twenty (20) hours per week. Temporary part-time employees are eligible for Recruiting incentives but are not eligible for any other benefits offered by Sevatec. In the event a temporary part-time employee becomes a regular employee without an interruption in service, the employee's service date will begin on the first day the uninterrupted employment began.

3.3.1.5 Casual Employees

Casual employment is intended to be intermittent in nature, irregular and infrequent. A casual employee is compensated pro rata, at an established base rate, for the number of hours that are actually worked. Should a casual employee work each workday for a continuous period of 26 weeks, the casual employee's status will be reviewed by the President and the Vice President of Human Resources to determine if this status may continue for a maximum of an additional 26 weeks, or if the employee should be reclassified. Employees in a casual status do not accrue Sevatec service. Casual employees are not eligible for participation in any benefit plan offered by Sevatec.

3.3.1.6 Independent Contractor

Independent Contractor status is used for individuals who work on an hourly basis, usually for a specific assignment, and is not considered an employee of the company. An independent contractor does not receive any employment benefits unless specifically stated in writing. An independent contractor is paid at the agreed upon rate and no taxes are withheld. It is the responsibility of the consultant to satisfy the requirements of the Internal Revenue Service and other taxing bodies.

3.3.2 Employee Background Check

Sevatec performs background checks on all employees as a condition of employment. A comprehensive background check may consist of prior employment, academic, credit, criminal, and/or driving record history. Before background checks are performed the employee will be required to sign a disclosure form.

3.3.2.1 Academic Investigations

Sevatec will conduct an academic check to verify previous schooling and acquired degrees.

3.3.2.2 Criminal Records

In response to Sevatec's Violence in the Workplace Policy (See Section 3.5 for details), Sevatec may conduct a pre-employment criminal check for each employee. When appropriate, the criminal record is checked to protect Sevatec's interest and that of its employees and clients.

3.3.2.3 Security Background Check

In the event that Sevatec's contracts and/or task orders have requirements for Trusted Personnel Background or Security Clearance Investigations, Sevatec's employees, current or hired, and

assigned to work on such contracts or task orders, will be required to submit the necessary paperwork as specified by the appropriate government regulations.

The Trusted Personnel Background Investigation will require the employee to complete and submit the following security forms in order to process a National Agency Check with Written Inquiries and Credit Checks (NACIC).

Appropriate security forms along with specific guidance to complete the forms will be provided by Sevatec's Human Resources Department.

3.3.2.4 Credit Investigations

Following the requirements in the Federal-Truth-In-Lending and the Fair Credit Reporting Acts, a federal statute that regulates the activities of consumer reporting agencies and users of credit reports, and protects consumers from invasions of privacy by placing certain restrictions on persons who may use or disseminate credit information about consumers, Sevatec conducts a pre-employment credit check only on those applicants for positions that involve financial responsibility and/or will work on government contracts. Your employment with us may be conditional upon our review of the information in the credit check. Sevatec reserves the right to conduct this credit check at any time after you have been employed. Remember, you have certain legal rights to discover and to dispute or explain any information prepared by the credit checking company.

3.3.2.5 Driver's License and Driving Record

Employees whose work requires operation of a motor vehicle must present and maintain a valid driver's license and a driving record acceptable to our insurer. You will be asked to submit a copy of your driving record from time to time. Any charges to your record must be reported to your supervisor. Failure to do so may result in disciplinary action up to and including possible termination.

Definitions: As listed above

3.4 Drug-Free Workplace Policy

Sevatec is committed to providing a safe work environment and maintaining standards of high performance and productivity throughout the company. As a part of this philosophy, we are committed to creating and maintaining a workplace that is free of illicit drugs, drug and alcohol use, and their effects.

Drug and alcohol abuse can impair an employee's ability to perform his/her job and to provide the quality service our clients have come to expect. Employees who work under the influence of intoxicating beverages or unlawful drugs may be a danger to themselves and others. As a result, Sevatec prohibits employees from working under the influence of, possessing, consuming, or selling unlawful drugs or alcohol while on company premises (also see subsection 3.4.2 Alcohol in the Workplace).

The unlawful manufacture, distribution, dispensing, possession or use of a controlled and/or illicit substance is also prohibited while on company premises, client premises, conducting company business, while representing the company, or while attending company sponsored events. Employees who violate this policy or report to work while under the influence of unlawful drugs or alcohol are subject to disciplinary measures. These measures include various actions up to and including termination of employment.

Sevatec also strictly prohibits the use or possession of any prescription drug without a valid prescription on company property, in company motor vehicles, at company sponsored functions, or wherever company work is being performed.

Recognizing that abuse of drugs and/or alcohol harms employees, their families, their co-workers and their clients, Sevatec will assist any interested employee to find further information about drug counseling and rehabilitation.

All employees must abide by this policy as a condition of employment.

3.4.1 Drug and Alcohol Testing

All drug and alcohol testing will be performed in conformance with applicable state law. The company reserves the right to administer drug or alcohol tests to employees under the following circumstances:

- New hires;
- If the company has reasonable suspicion that an employee is impaired by drugs or alcohol;
- If the employee has been observed using a controlled substance or being under the influence of alcohol on the job;
- Whenever needed during and following drug or alcohol treatment to assure compliance with the treatment plan;
- After a work-related accident; or
- Random testing as part of the company's process and compliance with federal government contracting requirements.

3.4.1.1 Random Drug Testing

Employees who refuse to submit to drug or alcohol tests under this policy may be subject to disciplinary action, up to and including termination.

The results of any drug test will remain confidential and will only be released on a need-to-know basis.

Depending upon the circumstances, the company may conditionally continue employment on satisfactory participation in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency. However, a positive test reading may result in disciplinary action up to and including termination.

3.4.2 Alcohol in the Workplace

The company also prohibits the consumption, possession, or purchase of alcohol or alcoholic beverages on company property and in company motor vehicles with the following exceptions:

- Consumption, possession, or purchase of alcohol may be allowed with the prior approval of management in certain company recreational events.
- Possession of unopened alcohol while in an employee's vehicle is permitted.

If an employee violates this section of the policy, management will determine appropriate disciplinary action, up to and including termination.

- ***Use of Alcohol at Company-Sponsored and Off-Site Activities:*** The consumption, possession, or purchase of alcohol at any company sponsored social function held off company premises must have the prior approval of management.

Employees' use of alcohol while conducting business, attending a company sponsored business or social function, or otherwise representing the company at outside function(s) is permitted only to the extent that it does not lead to impaired performance, inappropriate behavior, endangering the safety of any individual, or violating applicable laws. Any employee who wishes to take a taxi/Uber home after consuming alcohol at a company sponsored or off-site activity will be reimbursed for the taxi/Uber fare by Sevatec.

- ***The Use of Alcohol During the Workday:*** The company prohibits employee use of alcohol immediately before and during the workday, including lunchtime and breaks, whether in connection with business or on personal time if you are returning to the workplace.

3.4.3 Reporting Requirements for Convictions

Any employee convicted of a violation of a criminal drug statute involving the manufacture, distribution, dispensing, possession or use of any controlled substance in Schedules I through V of Section 202 of the Controlled Substances Act occurring in the workplace must notify both his/her manager and the Vice President of Human Resources within five (5) days after such conviction.

Within ten (10) days after receiving notice, or otherwise receiving actual notice of such conviction, the following sanctions or remedial measures may be imposed on the convicted employee:

- Appropriate personnel action against such employee, up to and including termination; or
- Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a federal, state, or local health, law enforcement or other appropriate agency.

3.4.4 Drug and Alcohol Rehabilitation

Any employee who feels that he/she has an addiction or dependence on alcohol or drugs is encouraged to seek assistance. Requests for assistance will be confidential.

Rehabilitation itself is the employee's responsibility. An employee seeking medical attention for alcoholism or drug addiction is entitled to benefits under the company's group medical insurance plans on the same basis and with the same restrictions and limitations as other illnesses or conditions.

Definitions:

Drugs: For the purposes of this policy, drugs refer to substances other than alcohol capable of altering an individual's mood, perception, pain level, or judgment.

- **Prescription drugs** are substances prescribed by a licensed medical practitioner for individual consumption.
- **Illegal drugs and/or illicit drugs** include any drug or controlled substance where the sale or consumption of such drug is illegal.

Alcoholic Beverage: For the purposes of this policy, alcoholic beverage(s) include any beverage that may be legally sold and consumed and has an alcoholic content in excess of three (3) percent by volume.

3.5 Violence in the Workplace Policy

Sevatec has adopted a policy prohibiting workplace violence; Sevatec has a zero tolerance for workplace violence. Consistent with this policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect Sevatec or which occur on Sevatec's property will not be tolerated.

Examples of workplace violence include, but are not limited to the following:

- Hitting, or shoving an individual;
- Threatening an individual or his/her family, friends, associates, or property with harm;
- Intentional destruction or threatening to destroy Sevatec's property;
- Making harassing or threatening phone calls;
- Harassing surveillance or stalking (following or watching someone);
- Unauthorized possession or inappropriate use of firearms or weapons;

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

Every employee is to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to your supervisor, members of the executive team including the Vice President of Human Resources.

Definitions: None

3.6 Smoking Policy

Sevatec is committed to providing and maintaining a healthful and clean working environment. We believe that the spirit of thoughtfulness and cooperation which is characteristic at Sevatec is normally adequate to resolve any disputes which might arise under this policy. This policy, however, is to be followed where disputes cannot so be resolved. In such cases the rights of the non-smoker will be given precedence.

The following guidelines strive to meet the needs and desires of both smokers and non-smokers.

Employee's Responsibility: As in many other aspects of work, employees need to be sensitive to and extend common courtesy to their fellow employees.

No-Smoking Areas: Smoking is not allowed in Sevatec facilities.

At Corporate Headquarters, please use designated smoking area on the premises, which is located on the deck of the parking garage.

At the Crystal City office, please use designed smoking area on the premises, which is located in front of the building, away from the front doors.

Staff at client sites will follow client-smoking rules and use client-designated smoking areas. These guidelines will in no way supersede local or state law, or any existing and future regulations established for fire, health, or safety reasons.

Definitions:

Smoking: For the purposes of this policy, smoking refers to cigarettes, pipes, cigars, water pipes or any device that emits smoke.

3.7 Policy Against Unlawful Harassment and Discrimination

It is the policy of Sevatec to maintain a working environment which encourages mutual respect, promotes respectful and congenial relationships between employees and is free from all forms of discrimination and harassment of any employee or applicant for employment by anyone, including supervisors, co-workers, vendors, or clients. Unlawful harassment or discrimination in any manner or form is expressly prohibited and will not be tolerated by Sevatec. Accordingly, Sevatec's management is committed to vigorously enforcing this policy against unlawful harassment and discrimination, including but not limited to sexual or gender harassment, at all levels within Sevatec.

All reported or suspected occurrences of unlawful harassment or discrimination will be promptly and thoroughly investigated. Where unlawful harassment or discrimination is determined to have occurred, Sevatec will immediately take appropriate disciplinary action, up to and including termination.

Sevatec will not permit or condone any acts of retaliation against anyone who files a complaint of unlawful harassment or discrimination, assists another to file a complaint, or who cooperates in the investigation of same.

1. The term **unlawful harassment** or **discrimination** includes but is not limited to unwelcome slurs, jokes, verbal, graphic or physical conduct relating to an individual's race, religion, gender, sexual orientation, age, national origin, or disability or any other classification protected under federal, state, or local law.
2. **Sexual harassment** includes unwelcome sexual advances, requests for sexual favors, or other verbal or physical conduct of a sexual nature where:
 - a. Submission to such conduct is an explicit or implicit term or condition of employment;
 - b. Employment decisions are based on an employee's submission to or rejection of such conduct; or,
 - c. Such conduct interferes with an individual's work performance or creates an intimidating, hostile or offensive working environment.

Sexual or gender harassment need not involve sexual advances, romantic interest or sexually provocative conduct. Sexual or gender harassment can also be any type of verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her gender and that: (1) has the purpose or effect of creating an intimidating, hostile or offensive working environment; or (2) has the purpose or effect of unreasonably interfering with an individual's work performance; or (3) otherwise adversely affects an individual's employment opportunities. For example, conduct that intimidates, ridicules, or maliciously demeans the status of an individual because of gender can constitute sexual harassment if it is sufficiently severe and pervasive to alter the conditions of the individual's work environment.

3. The term "harassment" may also include conduct of employees, supervisors, vendors and/or clients who engage in verbally or physically harassing behavior which has the potential for humiliating or embarrassing an employee of Sevatec because of his/her membership in a protected class.

3.7.1 Reporting Procedure

Sevatec provides its employees with a convenient and reliable method for reporting incidents of unlawful harassment or discrimination, including sexual or gender harassment. Any employee who feels that they have been or are being harassed, or discriminated against, is encouraged to immediately inform the alleged harasser that the behavior is unwelcome. In most instances, the person is unaware that their conduct is offensive and when so advised can easily and willingly correct the conduct so that it does not reoccur. If the informal discussion with the alleged harasser is unsuccessful in remedying the problem, or you do not feel comfortable talking to the particular individual, or if you are unsatisfied with the results of your conversation with the individual, you should immediately report the complained-of conduct to their immediate supervisor, manager, Human Resources or the President of the company. The report should include all facts available to the employee regarding the harassment.

3.7.2 Confidentiality

All reports of harassment will be treated seriously. However, absolute confidentiality is not promised nor can it be assured. The investigation of any complaint will generally require limited disclosure of pertinent information to certain parties, including the alleged harasser.

3.7.3 Investigative Procedure

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

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

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

If the harasser is from a vendor or client, Sevatec will take appropriate action to stop the inappropriate conduct.

3.7.4 Duties of Employees and Supervisors

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

All Sevatec supervisors and managers must to adhere to the company's anti-harassment policy.

Definitions: None

3.8 Policy for Sharing Your Ideas and Concerns

Whether you have an idea or a concern, there is an avenue to have your thoughts heard and thoroughly vetted and reviewed. It is our policy to provide employees with a safe environment where employees may freely voice their ideas and concerns regarding their work and their well-being at work to the attention of management. For that reason, a formal procedure has been established for the benefit and use of Sevatec's employees. Employees should be reassured that Sevatec provides an open-door policy in regard to communications and employees should feel comfortable with the knowledge that they will not be retaliated against for voicing their ideas and concerns. The company takes ideas and concerns of the employees very seriously, and prompt attention is assured to all.

3.8.1 Procedure

Any idea or concern should first be discussed with the employee's immediate supervisor. We encourage employees to speak directly with their supervisor so that there is an open, healthy dialog between the supervisor and employee. Normally, this course of action will result in a fair resolution to the situation.

The employee should submit the idea or concern personally, but if they feel more comfortable, may ask a fellow employee to appear with him/her. All submissions should be made within five (5) business days.

If the idea or concern was not documented by the employee, it should be documented by the supervisor for permanent record. The document must be signed by the supervisor and the employee. In some cases, an employee may wish to remain anonymous.

The employee's supervisor will work with the Vice President of Human Resources to achieve resolution of the issue or inclusion of the idea. The employee's supervisor will convey to the Vice President of Human Resources and the employee, in writing, within two (2) working days, describing the steps taken to correct the problem or adopt the idea. The supervisor will then discuss the documented steps with the employee for their input.

If the issue remains unresolved once the supervisor and employee discuss the issue, the Vice President of Human Resources will follow the idea or concern through to a final solution, taking it to a member of the Executive Team (CEO, EVP's, CFO, CGO, and CTO).

However, if the employee does not feel comfortable submitting the idea or concern to his or her immediate supervisor or if they feel their idea or concern has not been adequately addressed by their manager, the employee is encouraged to submit the idea or concern directly to the Vice President of Human Resources.

Definitions:

Idea: An idea is a thought or concept which an employee feels would better the company.

Concern: A concern is any condition of employment that the employee feels is unjust or unfair or thinks should be brought to the attention of management.

3.9 Policy on Confidentiality and Proprietary Information

This policy communicates Sevatec's requirements regarding the safeguarding of company and client confidential and proprietary information. While some non-public information that you learn as a Sevatec employee is confidential, there are certain types of information that require special protection. Company confidential and proprietary information, often referred to as "trade secrets," are important assets.

Trade secrets may actually be the essence of the company. The development and containment of our trade secrets enhance our position in the marketplace. Additionally, these assets were developed at a great expense in both time and money.

Many of us will learn the trade secrets of our clients. We occupy a position of trust within their operations. Violating this trust destroys business relationships as well as our professional reputation. Our business relationships are the core of our company's success and future growth.

Each person who works for Sevatec occupies a position of trust and confidence, and the company has placed its trust in you. Unauthorized disclosure of such information, which has been entrusted to you, violates our confidence and this policy.

The following information, while not all inclusive, are considered company proprietary and protected for unauthorized disclosure at all times:

- All data, excluding sales literature, relating to services, applications, procedures and products sold by the company;
- All methodologies and templates used in delivering our consulting services;
- Research and development materials developed by Sevatec;
- Sales data;
- Marketing data, excluding marketing literature produced for external use;
- Client lists or any other information about clients, excluding that within sales or marketing literature produced for external use;
- Client information obtained in the course of your work unless release is specifically authorized by the client in writing;
- Contractual arrangements between the company and its clients or suppliers;
- Purchasing, pricing or financial data;
- Personnel data on any employee or ex-employee is confidential and not subject to disclosure except as allowed by state and federal law at any time;
- Information provided by other organizations under confidentiality agreements.

The above data should not be publicly disclosed without direct authorization in writing by the CEO of Sevatec. When employment with the company terminates, all such confidential data must be returned to Sevatec immediately.

Each employee who has access to propriety and confidential information is responsible for ensuring the materials and information is safeguarded. These materials should be appropriately filed or secured when not in use and deleted from secondary storage areas when no longer required and the information has been properly achieved for the company's future use.

If a situation arises which appears to violate this policy, you should request clarification from your manager or company executive team. If you know of someone engaging in the disclosure of confidential information to unauthorized persons, you should report the incident immediately to your manager, a member of the executive team or the Vice President of Human Resources.

Definitions: None

3.10 Policy on Conflicts of Interest

All employees have a responsibility to not participate in any financial, business, or other relationships that might be opposed to or in conflict with the interests of Sevatec. The policy governing Personal and Organizational conflict of interests is defined in the Sevatec Code of Ethics and Conduct.

Failure to comply with this policy will result in disciplinary measures, up to and including termination of employment, and may also result in civil or criminal legal action.

Any employee who feels he/she may have a conflict of interest situation, actual or potential, shall report such information in accordance instructions outlined in the Sevatec Code of Ethics. The Code of Ethics Policy can be found on SharePoint.

Definitions: None

3.11 Policy on After-Work Activities

All regular full-time employees are expected to consider Sevatec as their primary employer. If you hold another position or do other work, it must not conflict with or detract from your Sevatec duties. All full-time employees must have any other work done outside Sevatec reviewed and approved to ensure that there is no conflict of interest, a potential work safety issue or may limit the employees' participation in work as the result of future company activities.

While some part-time and temporary employees have other employment obligations, it is important that the employee and the supervisor establish work schedules that are mutually advantageous to both the employee and Sevatec.

Please see sub-section "*3.10 Policy on Conflicts of Interest*" for additional information.

Definitions: None

3.12 Policy on Software Protection

It is the policy of Sevatec to conduct business in compliance with the law and with the highest professional standards and ethics. As a part of this, we comply with laws designed to protect software developers.

The company licenses the use of computer software from a variety of outside sources. It does not own this software or related documentation and, except where specifically authorized, does not have the right to reproduce it. Software may be used on multiple machines or LAN/WANs only in accordance with the license agreement for the specific software.

Employees and/or subcontractors who make, acquire or use unauthorized copies of computer software (or the use of personal copies of licensed software not purchased by Sevatec) and related documentation under the name of, or in conjunction with work for, Sevatec will be disciplined as appropriate. In addition, such employees may be held liable for civil and criminal prosecution, which penalties may include damages, fines and imprisonment.

Employees who have questions about this policy and use of specific software should contact their immediate supervisor or a member of the executive team. Individuals who learn of misuse of software or related documentation within the company shall report this to their manager or a member of the executive team.

Definitions: None

4.0 Work Environment

4.1 Office Attire Policy

The following guidelines outline acceptable attire for Sevatec employees.

4.1.1 Headquarters and Crystal City Offices

Employees are welcome to dress in casual attire Monday-Friday. However, employees should wear business attire if they are attending a business meeting where casual attire is not appropriate. In a casual work setting, employees may wear clothing that is comfortable and practical for work, but not distracting or offensive to others. Any clothing that has words, terms, or pictures that may be offensive to other employees is unacceptable. General guidelines for casual dress include:

- Shirts: shirts with or without collars, casual crewneck or V-neck shirts, blouses, and golf and polo shirts. Examples of inappropriate shirts include T-shirts, shirts with inappropriate slogans, tank tops, muscle shirts, camouflage and crop tops.
- Pants: casual slacks/kakis, jeans without holes, frays, etc. Examples of inappropriate pants include shorts, camouflage, and pants worn below the waist or hip line.
- Footwear: casual slip-on or tie shoes, sandals, and clean athletic shoes. Examples of inappropriate footwear include beach flip-flops and construction or hunting boots.

4.1.2 Client site

If you are working at a client site, employees must dress according to the policy that has been established for that work site.

Definitions: Casual attire examples are listed above.

4.2 Policy on Children in the Workplace

From time to time, staff members are called upon to make alternative arrangements for the daytime care of their children. While Sevatec is sensitive to the needs and responsibilities of its staff members in making these plans, we also recognize that our work environment is not the solution to temporary child care. We have found that children become easily bored and restless in an office and soon cause disruption to the work process. In fairness to the children and with an attitude of respect for co-workers, employees should not bring children into the workplace.

Definitions: None

4.3 Teleworking Policy

Teleworking allows employees to work at home, on the road or in a remote location for all or part of their workweek. Sevatec considers teleworking to be a viable, flexible work option when both the employee and the job are suited to such an arrangement. Teleworking may be appropriate for some employees and jobs but not for others. Teleworking is not an entitlement, it is not a companywide benefit, and does not change the terms and conditions of employment with Sevatec. Teleworking can be informal, such as working from home for a short-term project or on the road during business travel, or a formal, set schedule of working away from the office as described below.

Any teleworking arrangement made will be on a trial basis for the first three months and may be discontinued at will and at any time at the request of either the teleworker or the company.

Before entering into any teleworking arrangement, the employee and supervisor, with the assistance of the human resource department, will evaluate the suitability of such an arrangement, reviewing the following areas:

- Employee suitability: The employee and supervisor will assess the needs and work habits of the employee, compared to traits customarily recognized as appropriate for successful teleworkers.
- Job responsibilities: The employee and supervisor will discuss the job responsibilities and determine if the job is appropriate for a teleworking arrangement.
- Client approval: The supervisor will determine if the client/program allows for teleworking.
- Equipment needs, workspace design considerations and scheduling issues: The employee and supervisor will review the physical workspace needs and the appropriate location for the telework. The employee will establish an appropriate work environment within his or her home or remote location for work purposes. Sevatec will not be responsible for costs associated with the setup of the employee's home/remote office, such as remodeling, furniture or lighting, nor for repairs or modifications to the home/remote office space. Financial responsibility for internet connection and monthly telephone costs remain with the employee. Long distance calls may be expensed back to Sevatec.

Evaluation of the teleworker's performance during the trial period will include regular interaction by phone and e-mail between the employee and the supervisor, and weekly face-to-face meetings to discuss work progress and problems. At the end of the trial period, the employee and supervisor will evaluate the arrangement and make a determination for continuance or modifications.

Definitions: None

4.4 Policy on Maintaining a Safe and Secure Work Environment

The dramatic increase in crime, drug abuse, and random violence has increased the importance of workplace safety and security. Sevatec seeks to provide its employees with a clean, safe and secure work environment. We would like for employees to note the following:

Smoking is not allowed on Sevatec premises, except in designated smoking areas. Employees at client sites will follow client smoking rules.

All employees are encouraged to lock up their valuables. Each office/work station has a key to lock the drawers. If you have lost your key, please contact the Office Manager and we will provide a duplicate key. Employees working at client sites are encouraged to ask the Program/Project Manager about identifying a place where you may lock your valuables up for safety.

Anyone discovering unsafe situations or work practices should immediately notify their supervisor, the Directors, or the Vice President of Human Resources so that we may identify and address any safety problems.

Anyone who is injured on the job generally is covered by Workers' Compensation insurance and should immediately notify the Vice President of Human Resources.

Definitions: None

5.0 General Accounting Policies

5.1 Purchasing Policy

Purchasing shall be accomplished in accordance with the Sevatec Purchasing Procedure Document No. QP_7-13

https://sevaconnect.sevatec.com/EQMS/SitePages/Contract_Procurement.aspx

Definitions: None

5.2 Policy on Charges and Expenses

The following is a summary of the procedures for the purchase or lease of direct charge and overhead items and services.

NOTE: *This section does not include information on consultants, honoraria, or subcontractor services.*

5.2.1 Expense Reports

All staff who incur expenses in the course of performing company business must complete an Expense Report. Following are the points to note when completing an expense report:

- Expense reports should be completed by the employee and submitted on a not less than monthly basis. Once an expense voucher has been approved, the processing time is generally 5 to 10 business days before the employee receives the reimbursement via ACH. The company will review reimbursement expense reports and reserves the right to deny any reimbursed expense that is not in compliance with company policy. This includes expense reports that are not submitted on a monthly basis.
- Expenses must be documented, with receipts and/or other proof of expenditures and submitted to the employee's supervisor for approval. Once approved, the expense report is to be forwarded to Accounting for processing.
- All expenses must be charged to an appropriate project. Project Managers must approve all expenses charged to their projects. Expenses that are charged to overhead or other non-project charge numbers must be approved by the Chief Financial Officer.
- In order to assure reimbursement, all expenses must have the approval from supervisor before the cost is incurred

Definitions: As listed above

5.3 Credit Cards

The following is a summary of the procedures for Corporate Business Expense Credit Cards and Corporate Purchasing Cards.

5.3.1 Sevatec Corporate Business Expense Credit Card Program

Sevatec has a Corporate Business Expense Credit Card program to provide a convenient method of payment for business expenses. The Corporate Business Expense Credit Cards are not to be used for personal reasons under any circumstances. Use of the card for personal reasons will result in immediate forfeiture of the card. The employee's Manager and Controller must approve employees requiring a Corporate Business Expense Credit Card.

The Corporate Business Expense Credit Card, although issued through Sevatec, functions in the same way as any other personal credit card, specifically in that the monthly statement is paid directly by the cardholder. (This differs from corporate purchasing cards, which are paid directly by Sevatec.) The cardholder is responsible for the timely completion and submission of approved expense reports with detailed receipts for every purchase. Credit card use is subject to the following limitations and restrictions.

5.3.2 Corporate Credit Cards – Conditions of Use:

- Cash advances are not permitted
- Corporate Business Expense Credit Cards cannot be used to substitute for personal credit facilities at any time.
- Use of Corporate Business Expense Credit Cards cannot be delegated by the authorized card holder to other staff.
- Corporate Business Expense Credit Cards are subject to all conditions of use applied by the issuing bank.
- Purchases are limited to goods or services which would be covered in Sevatec's annual budget are subject to the cardholder maintaining appropriate receipt records for all expenditures.
- Expenditure on the card will be internally reviewed on a regular basis by Sevatec's Accounting Department for compliance with guidelines.
- Use of corporate credit cards is not permitted for payment of fines or penalties, (e.g. parking fines), interest charges, late fees, enrollment fees for card awards programs, or traffic offenses occurred while on Sevatec business.
- Improper use of Sevatec Corporate Business Expense Credit Cards may render the card holder liable to disciplinary or legal action.
- Each card holder will review and approve their monthly statement and make payment of the full statement balance prior to the due date. Each card holder is responsible for submitting a properly documented and timely expense report for charged items. Expense approvers are responsible for timely approval of all expense reports.
- A corporate credit card may be revoked from any cardholder who indicates the inability to manage their card according to this policy procedure.

5.3.3 Safe Custody of Corporate Cards:

- Card holders are personally responsible and accountable at all times for the safe custody of the corporate card issued to them.
- Cardholder are personally responsible for communicating any change in mailing address to the bank.
- In the event that a corporate credit card is lost or stolen, the card holder must, as soon as possible, report the loss to the bank.

All card holders must sign an acknowledgement of this policy and procedures prior to being issued a corporate credit card.

5.4 Corporate Purchasing Cards

Sevatec has a Corporate Purchasing Credit Card program to provide a convenient method of payment for corporate purchases. The Corporate Purchasing Cards are not to be used for personal reasons under any circumstances. Use of the Corporate Purchasing Card for personal reasons will result in immediate forfeiture of the card. The Chief Financial Officer must approve employees requiring a Corporate Purchasing Card.

The Corporate Purchasing Card, although issued through Sevatec, functions in the same way as any other personal credit card, except that the monthly statement is paid directly by the Sevatec. The cardholder is responsible for the timely completion and submission of approved expense reports with detailed receipts for every purchase. Credit card use is subject to the following limitations and restrictions.

5.4.1 Corporate Purchasing Cards – Conditions of Use:

- Cash advances are not permitted.
- Corporate Purchasing Cards cannot be used to substitute for personal credit facilities at any time.
- Use of Corporate Purchasing Cards cannot be delegated by the authorized card holder to other staff.
- Corporate Purchasing Cards are subject to all conditions of use applied by the issuing bank.
- Purchases are limited to goods or services which would be covered in Sevatec's annual budget are subject to the cardholder maintaining appropriate receipt records for all expenditures.
- Expenditure by Corporate Purchasing Card will be internally reviewed on a regular basis by Sevatec's Accounting Department for compliance with guidelines.
- Use of Corporate Purchasing Cards is not permitted for payment of fines or penalties, (e.g. parking fines), or traffic offenses occurred while on Sevatec business.
- Improper use of Sevatec Corporate Purchasing Cards may render the card holder liable to disciplinary or legal action.
- Each cardholder will submit a properly documented expense report on a timely basis for all charges included on the monthly statement.
- A Corporate Purchasing Card may be revoked from any cardholder who indicates the inability to manage their card according to this policy procedure.

5.4.2 Safe Custody of Corporate Purchasing Cards:

- Card holders are personally responsible and accountable at all times for the safe custody of the corporate card issued to them.
- Cardholder are personally responsible for communicating any change in mailing address to the bank.
- In the event that a corporate credit card is lost or stolen, the card holder must, as soon as possible, report the loss to the Controller.

All card holders must sign an acknowledgement of this policy and procedures prior to being issued a corporate purchasing credit card.

Definitions: None

6.0 Compensation, Attendance & Absence

6.1 Hours and Compensation Policy

6.1.1 Hours of Operation

Sevatec's normal business hours are 8:30 a.m. - 5:00 p.m. Monday through Friday; normal business hours include 1/2 hour for lunch. All employees are expected to report to work in a timely manner. If you have an unplanned absence from work, you are required to notify your supervisor by your normal work start time or, when possible, before.

If you fail to report to work without notice to your supervisor it will be considered a voluntary resignation after three business (3) days. Your final paycheck will reflect the days absent as annual leave, and if leave is unaccrued then they will be reflected as leave without pay.

6.2 Flex-Time Policy

In the event the presence of a Sevatec team member is required to deliver services in support of the customer mission in an exceptional or unexpected fashion, the Program Manager retains the authority to restore appropriate balance to the employee's schedule, ideally within the same pay period, but in any event in a manner that best meets the employee's desires and schedule.

6.2.1 Overtime

Sevatec does not encourage overtime work at any time. We believe a healthy balance of work and home life is essential to the overall happiness of our staff. However, there are occasions when overtime work is required.

6.2.1.1 Non-Exempt Staff

When a non-exempt employee (as classified by the Fair Labor Standards Act) is required to work more than forty (40) hours in a workweek, he/she will receive 1½ times their regular rate for all hours in excess of 40 that week. The same overtime pay rate shall also apply to work performed on Saturday and Sundays, provided it is in excess of 40 hours in that workweek. Leave and Leave Without Pay do not count toward the 40 hours. Prior approval for overtime is required from the supervisor and Business Unit Director.

6.2.1.2 Exempt Staff

Staff members who are classified as Exempt are not eligible for overtime pay per the Fair Labor Standard Act.

6.2.1.3 Uncompensated Overtime

"Uncompensated Overtime" means the hours worked without additional compensation in excess of an average forty (40) hours per week by employees who are exempt from the Fair Labor Standards Act. Compensated personal absences such as holidays and paid time off shall be included in the normal work week for purposes of computing uncompensated overtime hours.

Employees classified as Exempt under the Fair Labor Standards Act will not be paid overtime for hours worked over the standard 40-hour workweek. Employees must record all hours worked in accordance with the procedures included in section 6.1.4 Timesheets.

6.2.2 Timesheets

6.2.2.1 Timekeeping Policy

The integrity of our timekeeping system is essential to the success of Sevatec. It is the employee's responsibility to understand Sevatec's timekeeping requirements and to ensure that the requirements are accurately and appropriately applied when recording labor hours. This means reporting only the true and actual number of hours worked and ensuring that the hours charged specifically relate to the activity or work performed. Employees are required to record their time worked, every day, at the end of the day. The obligation of each employee in recording his or her time also applies to supervisors who approve and certify their employees' timesheets. Timesheets are legal documents to which both the employee and supervisor are certifying the validity and accuracy.

This policy describes the proper timekeeping requirements for recording labor hours; our procedures are in accordance with Government regulations. This policy also describes the responsibilities of each employee in implementing such requirements. Should an employee be unclear about any of the requirements or how they are to be implemented, it is incumbent upon the employee to seek assistance from his or her supervisor.

6.2.2.2 Timekeeping Responsibilities

Each employee is to be familiar with the timekeeping procedures and should be prepared at any time to demonstrate compliance to both Sevatec and Government auditors conducting reviews of our timekeeping practices.

- Project numbers are issued by the Contracts Department after completion of set up in the company's project accounting system to the respective Project Manager. It is incumbent upon the Project Manager to know and convey the project number to their respective team members.
- Employees are required to maintain accurate and current timesheets consistent with Sevatec's policies and practices.
- Every employee is required to update his or her timesheet on a daily basis at the end of each work day. Time for the previous day must be entered by 10:00 AM on the following business day to avoid receiving a timesheet failure notice.
- Employees must submit their timesheet at the end of the semi-monthly reporting period at the close of business the last work day of the pay period. If you anticipate being on leave at the end of a pay period, your timesheet should be submitted prior to your departure.
- Supervisors must verify the authenticity and the timeliness of their employees' timesheets and, they must approve the timesheet no later than 10 a.m. the next business day following the pay period end date. If corrections are necessary to the employee timesheet such corrections must be completed and approved by the 10 a.m. deadline.
- The timesheet must show the actual hours worked.
- In the event Sevatec employees are required to enter hours into a non-Sevatec timekeeping system it remains the responsibility of the employee to enter accurate information and to ensure the hours entered reconcile with hours entered into the Sevatec timekeeping system. The Supervisor must also ensure that the hours entered into the non-Sevatec timekeeping system are accurate and reconcile to the hours entered into the Sevatec timekeeping system.

6.2.2.3 Recording Time

You are responsible for maintaining a timesheet and posting a daily record of time spent on various contracts, overhead, or leave. Employees must record the minimum number of hours on

their timesheet for each pay period. It is mandatory that you record time worked daily. Timesheets should be filled out at the end of each work day. If assigned to separate tasks, the timesheet must reflect an accurate breakdown of hours worked on each task. On the last day of each payroll cycle (15th and the last day of the month), timesheets must be submitted for approval by close of business.

Sevatec uses an automated time/task tracking system called Jamis Time and Expense. During your orientation, you will be instructed on the use of this system and then expected to adhere to the requirements above. If you need additional assistance on how to use the system for timesheet or other areas, you may contact any member of the finance department. If you anticipate being on leave at the end of a pay period, your timesheet should be submitted prior to your departure.

Sevatec adheres to a “total time accounting” methodology whereby employees are required to record all hours worked on their timecard. Recording all hours worked and charging these hours to the cost objectives consistent with how the work was performed ensures accuracy in Sevatec’s ability to capture and report labor costs and it also provides assurance that Sevatec’s revenue recognition through its billing system is accurate and complete.

Only supervisors or those given formal delegation of time entry may update another employee's timesheet.

An employee's timesheet must be approved by his or her supervisor or other delegated official.

Supervisors or other delegated official must approve all corrected timesheets.

6.2.2.4 Timesheet Revisions

Timesheets that are found to be in error after its submission shall be corrected as soon as possible so that our records can be corrected and the appropriate client's charges rectified. You must retrieve your original timesheet in Jamis Time and Expense and make the necessary corrections and resubmit the timesheet for approval.

Failure to correct your timesheet in a timely fashion may have negative repercussions on Sevatec. Public agencies do perform audit efforts on companies performing contract work. Incorrect timesheets must be corrected as soon as possible in order to maintain a good working relationship with all auditing agencies.

6.2.2.5 Timekeeping Enforcement

Timekeeping compliance is critical to Sevatec’s ability to obtain Federal contracts and the timely and accurate update of timesheets on a daily basis is especially important. Employees repeatedly delinquent in entering time into our timekeeping system first will generally receive a verbal warning by their supervisor. Continued violations of timekeeping requirements will result in further disciplinary actions, up to and including termination of employment.

Individual employee timekeeping compliance will be addressed in annual performance appraisals and will be a factor in compensation and promotion decisions. Supervisors and managers will be appraised based on their successful implementation and oversight of timekeeping requirements.

6.2.3 Pay Schedule

All salary compensation lags one week behind actual time worked with the firm so that project billing and administrative activities can be performed in an efficient manner. The Finance Department processes payroll twice each month; the 7th and the 22nd day of the month. If either

date occurs on a Saturday, Sunday, or holiday, paychecks are distributed the preceding business day.

If you participate in the direct deposit program, you will have the funds automatically deposited to your account(s). You will receive a summary of itemized deductions and net pay.

If you have any problems or questions with regards to your paycheck, you should contact the finance department to further discuss the issue.

Expense checks are not processed in the same cycle as payroll. Please see Section 5.2.1 “Expense Reports” for a detailed description.

Definitions: None

6.3 Paid Time Off (PTO) Policy

While work makes up a large portion of an employee's life, we believe that a healthy balance between work and play is essential in maintaining quality performance and an enjoyable atmosphere in which to work. To provide employees with much needed time to recharge and spend time with loved ones, Sevatec employees accumulate PTO which may be taken for illness and vacation.

All employees may use PTO as soon as it is accumulated. Employees are reminded that using unaccumulated leave hours is discouraged and only approved for extenuating circumstances. Any exceptions to the PTO policy must be pre-approved by an Executive Vice President and/or Vice President of Human Resources.

6.3.1 Leave Request Submission and Approval

When an employee wishes to take leave time earned, he/she must submit a leave request through the Jamis Time and Expense System. The request must be approved by an employee's supervisor. In the case of illness, the employee should notify their supervisor as soon as possible by way of phone or e-mail.

Employees are to provide at least **two weeks of notice** of taking paid time off.

In the event that scheduled leave time must be canceled or altered, the employee should modify the leave request.

6.3.2 Leave Accumulation Process

Effective, April 1, 2019, regular full-time employees accumulate Paid Time Off (PTO) based on years of service as follows:

- 0-5 years – 20 days per year (6.66 hours per pay period)
- 6-10 years – 25 days per year (8.33 hours per pay period)
- 11 or more – 30 days per year (10.00 hour per pay period)

Directors and above accumulate PTO based on years of service as follows:

- 0-5 years – 25 days per year (8.33 hours per pay period)
- 6-10 years – 30 days per year (10.00 hours per pay period)
- 11 or more – 35 days per year (11.66 hour per pay period)

Regular part-time employees will accrue leave hours based on their regularly scheduled works hours. The PTO will be pro-rated for all employees working more than thirty (30) but less than forty (40) hours.

6.3.2.1 Accumulation of Maximum Balances

Sevatec allows regular full-time employees to carryover unused PTO of up to eighty (80) hours from one calendar year to the next. Directors and above may carryover unused PTO of up to one hundred twenty (120) hours from one calendar year to the next. To provide employees with as much flexibility as possible, Sevatec provides employees with a "grace period" through the end of the 1st quarter of the next calendar year to burn down any leave balance which exceeds 80 hours. On April 1st, all PTO hours exceeding 80 hours (120 for Directors and above) that has not been taken will be forfeited.

6.3.2.2 Guidelines Governing Leave Accumulation

In the event an employee does not have a sufficient amount of leave hours earned and wishes to take time from work, he/she must take Leave Without Pay for the amount of time not covered. (See sub-section 6.3.4 "Leave Without Pay" for additional information.) **Leave Without Pay (LWOP) MUST be taken in eight (8) hour increments and can ONLY be used after all PTO balance has been expended.** Supervisors may authorize the advancement of PTO of up to 24 hours, with the understanding that any hours owed upon termination will be paid back to the company using the employee's final paycheck. All advanced PTO in excess of 24 hours must be approved in advance by the Vice President of Human Resources.

6.3.2.3 Working at Client Site

Employees working at client site should follow the same guidelines outlined above.

6.3.2.4 Unused Leave Time Accumulated

Sevatec does not pay Paid Time Off (PTO) in lieu of taking time off except upon separation from the company. Upon separation of employment, Sevatec will pay up to 80 hour of accumulated PTO payable in the employee's final paycheck.

6.3.3 Holidays

Sevatec observes the Federal Government Holiday schedule and offers ten (10) paid holidays per year.

- New Year's Day
- Dr. Martin Luther King Day
- President's Day
- Memorial Day
- Independence Day
- Labor Day
- Columbus Day
- Veteran's Day
- Thanksgiving Day
- Christmas Day

In cases where the Federal Government elects to extend an additional holiday(s), Sevatec will remain open. Employees will be provided information on how to record their hours.

6.3.4 Doctor's Certificate

The Vice President of Human Resources may require an employee to furnish a doctor's certificate following any leave due to illness of three (3) days or more duration in order to assure that the employee is of adequate health to return to work.

6.3.5 Upon Separation of Employment

As of April 1, 2019, upon separation of employment, Sevatec will pay up to 80 hours of accumulated PTO. The payment of these hours will be reflected in the employee's final paycheck at his/her current pay rate. Employees may not take PTO during the employees last two weeks of employee so that proper transition of duties/knowledge transfer can occur.

Any negative balance of leave hours (i.e. leave hours taken before the hours were accrued) must be repaid to the company at the current salary rate upon separation of employment.

6.4 Leave of Absence Policy

This leave of absence policy provides a means for granting paid or unpaid leave to employees within the reasonable discretion of the company. Military leave, jury duty, and bereavement leave will be considered paid leave. Medical leaves taken in accordance with the Family Medical Leave Act (FMLA) and personal leave are considered leave without pay.

6.4.1 Eligibility for Leave of Absence

All regular full-time and regular part-time employees who have completed thirty (30) consecutive calendar days of employment, and who meet the additional requirements described in this policy, are eligible for a leave of absence.

6.4.2 Leave of Absence General Guidelines

The company reserves the right to grant or deny a request for a leave of absence and to investigate the request, either before or after granting the leave. If an employee misrepresents the reason for a request, the company may deny the leave and discipline or terminate the employee.

If an employee cannot return to active employment at the end of his/her leave of absence, the employee must notify his/her supervisor. The extended absence may be considered a voluntary resignation. Under these circumstances, termination will be dated with the original date of return issued upon granting the leave. If already paid it will be considered an overpayment and must be immediately repaid to Sevatec.

Accepting other employment while on leave of absence will be deemed a voluntary resignation and will void an employee's re-employment rights. Under these circumstances, termination will be dated to the first day of leave taken by the employee. If already paid, it will be considered an overpayment and must be immediately repaid to Sevatec.

Except for medical leave of absence, when the leave of absence is for a period in excess of thirty (30) days, the employee's hire date will be adjusted to reflect the absence. This period of absence will be reflected on the employee's leave accrual balance (see section 6.4.4.1 for Definition of FMLA Leave).

All leaves of absence require approval by the employee's supervisor.

The impact of leaves of absence on the company group insurance and retirement plan is as follows:

- 401(K) deferrals and matching contributions will reflect a reduction in income, if applicable.
- Benefits under the group insurance plans will be continued for thirty (30) days for all leaves of absence except medical leave of absence. Employees are responsible for paying their portion of the medical/dental premium contributions during their leave of absence. Contributions will be deducted from the employee's paycheck upon return to the company. Benefits continuation during an approved medical leave of absence will be ninety (90) days or for the leave provided, whichever is less. After ninety (90) days of leave, employees will be responsible for paying the full premium at the group rate. Please see the Vice President of Human Resources for current group premium rates.

Employees on leave of absence do not continue to accrue paid leave hours and are not eligible for paid holidays during their leave.

6.4.3 Leave With Pay

Sevatec has various paid leave categories. Please see below table for detailed descriptions.

Paid Leave Type	Description
Short-Term Military Leave	<p>Members of the National Guard or Reservists, and other employees who are called upon to perform active duty training, inactive duty training, or certain other functions in connection with the Armed Forces of the United States shall be entitled to leave of absence in accordance with Federal Law.</p> <p>An employee who wishes to take short-term military leave must take the following actions:</p> <ul style="list-style-type: none"> • Provide reasonable advance notice to the Vice President of Human Resources of any military leave. • Present a copy of his/her orders to the supervisor and the Vice President of Human Resources immediately after receipt. • Provide the supervisor and Vice President of Human Resources with certification from the Military of his or her attendance and of the military pay received for such service. • An employee on military training will receive regular company paychecks for up to two weeks (on a one-time basis). Thereafter, the leave will be without pay. • After the employee receives pay from the military, he/she must reimburse Sevatec for an amount equal to the base military pay, up to the employee's regular base salary, for the military training leave period. • The employee must reimburse the company within three (3) days of receiving military pay. • Employees may use vested leave while fulfilling Reserve commitments. In such cases, they receive leave pay in addition to their military pay and owe the company no reimbursement. <p>All employees, except those holding temporary positions, shall be entitled to reinstatement to the extent required by law.</p>
Jury Leave	<p>An employee who is called for jury duty or subpoenaed and/or summoned as a court witness will have time off from work as long as he/she is needed in court.</p> <p>If you are a regular, full-time employee, you will receive your regular pay in addition to any money paid by the court for up to three (3) days. Thereafter, full-time regular non-exempt employees are granted unpaid leave in order to serve.</p> <p>Part-time and casual employees may take the time off, but they are not eligible to receive company pay for the time spent in court.</p> <p>Employees are expected to be at work on days not needed at court and, when allowed to leave court early enough to work part of the day.</p> <p>Employees are also expected to keep their supervisors informed of jury duty schedules, and must immediately provide a copy of the jury notice to his or her supervisor and the Vice President of Human Resources.</p> <p>The employee must provide his/her supervisor with certification from the Court Clerk of his/her attendance at jury duty.</p>
Bereavement Leave	<p>In the case of a death in an employee's immediate family, the company will grant up to three (3) days leave with pay. This leave does not count against your annual leave balance. Members of the immediate family include: father, mother, brother, sister, spouse, life partner/domestic partner, child, grandparents, father-in-law or mother-in-law. As a government contractor, Sevatec is subject to audits. Therefore, employees utilizing bereavement leave will need to provide documentation for the leave (copy of announcement, etc.) to the Human Resources Department.</p>
Voting Leave	<p>Sevatec believes that each employee should have the opportunity to exercise his/her right to vote in a state or Federal election or primary, general or special. Employee may utilize our flex-time policy so they may vote at a convenient time.</p>

6.4.4 Leave Without Pay

Sevatec has various unpaid leave categories. Please see below for detailed descriptions.

6.4.4.1 Family and Medical Leave Act

The Family and Medical Leave Act (FMLA) of 1993 provides that certain eligible employees will be entitled to take up to twelve (12) weeks of unpaid leave under specific circumstances that are critical to the employees or their family members.

Leave may be taken for any of the following reasons:

- For the birth of an employee's child;
- For the placement of a child for adoption or foster care with an employee;
- When an employee is needed to care for a child, spouse or parent who has a serious health problem or condition;
- When an employee is unable to perform at least one of the essential functions of his/her position because of the employee's own serious health condition.

6.4.4.2 FMLA Eligibility

The Family and Medical Leave Act (FMLA) of 1993 provides that certain eligible employees will be entitled to take up to twelve (12) weeks of unpaid leave under specific circumstances that are critical to the employees or their family members.

An employee is eligible for leave if he/she has worked for Sevatec for at least twelve months and at least 1,250 hours during the twelve (12) months immediately preceding the leave.

Certain employees may not be eligible and will be informed by the Vice President of Human Resources. For additional information on eligibility, contact the Vice President of Human Resources.

6.4.4.3 FMLA Basic Regulations

Medical Certification: Sevatec will require medical certification to support a claim for leave for an employee's own serious health condition or to care for a seriously ill child, spouse, or parent.

For the employee's own medical leave, the certification must include a statement that the employee is unable to perform at least one of the functions of his or her position.

For leave to care for a seriously ill child, spouse or parent, the certification must include an estimate of the amount of time that the employee is needed to provide care.

The company may require a second medical opinion and periodic recertification at its own expense. If the first and second opinions differ, the company may require the binding opinion of a third health care provider, approved jointly by the company and the employee and paid for by the company.

6.4.4.4 Notification Requirements

When the need for leave is foreseeable, such as the birth of a child, the placement in adoption or foster care of a child, or planned medical treatment, the employee must provide reasonable advance notice - meaning, thirty (30) days of notice when possible and make an effort to schedule leave so that it does not unduly disrupt company operations.

Employees who are ill will be required to report periodically on their status and their intention to return to work.

If an employee is entitled to both FMLA leave and paid leave under another benefit plan or policy, and the other plan or policy has a less stringent advance-notice requirement or none at all, the employee must still provide reasonable advance notice.

6.4.4.5 Status of Employee Benefits During Leave of Absence under FMLA

Health Insurance: Group health care coverage will continue for employees on leave as if they were still working. Employees who are granted an approved leave of absence under this policy are advised to arrange to pay employee portion of premiums during the absence.

If the leave is paid, premiums will continue to be paid through payroll deductions.

If the leave is unpaid, employees are responsible for making sure the company receives premium payments by the normal payroll dates.

Recovery of Premiums: If an employee chooses not to return to work (meaning: stay for 30 calendar days) after an approved unpaid leave of absence, the company may recover from the employee the cost of any payments made to maintain the employee's health insurance, unless the failure to return is because of a serious health condition or reasons beyond the employee's control. Benefit entitlements based on length of service will be calculated as of the last paid workday before the start of the unpaid absence.

6.4.4.6 FMLA Request Form

A Leave of Absence Form must be filled out by the employee. This form must be completed in detail, signed by the employee, and submitted to Human Resources as soon as possible. If possible, the form should be submitted thirty (30) days before the effective date of the leave.

All requests for family and medical leaves of absence due to an illness must include sufficient medical certification stating:

- The date on which the serious health condition began;
- The probable duration of the condition; and
- The appropriate medical facts that the health care provider knows about the condition.

In addition, for leave to care for a child, spouse, or parent, the certificate must include an estimate of the amount of time that the employee will need to provide care.

For leave due to an employee's own illness, the certificate must state that the employee is unable to perform at least one of the functions of his/her position. You may request a copy of your position description from the Vice President of Human Resources.

For certification for intermittent leave or leave on a reduced-leave schedule for planned medical treatment, the certificate must state the dates on which such treatment is expected to be given and the duration of the treatment.

6.4.4.7 Intermittent or Reduced Leave:

Leave may be taken on an intermittent or reduced-leave schedule when it is medically necessary for a serious health condition of the employee or his or her spouse, child, or parent.

If leave is requested on this basis, however, the company may require the employee to transfer temporarily to a part-time schedule or an alternative position that better accommodates recurring absences. The alternative position will have equivalent pay and benefits.

6.4.4.8 Spouses' Combined Leave:

Spouses who are both employed by the company are entitled to a total of twelve (12) weeks of combined leave (rather than 12 weeks for each spouse) for the birth or placement in adoption or foster care of a child or for the care of a sick family member.

6.4.4.9 Personal Leave

Sevatec permits personal unpaid leaves of absence to employees with important personal reasons for being absent longer than their regular leave allows. At the sole discretion of Sevatec, employees may be eligible for leave without pay when their paid leave balance has been exhausted. Reasons may include family illness or problems, marriage or divorce, adoption of a child, educational studies, community service, or extended travel.

To request leave without pay, the employee must contact his or her supervisor for approval. All leave requests should be made at least one week prior to the requested day(s) off. To request unpaid leave for more than a day's time, employees must complete the Leave Without Pay Request and submit it to their Supervisor for approval. Requests for personal leaves of absence must be made in writing to the employee's supervisor. The employee must indicate the reason for the request as well as the length of leave needed and the expected date of return. Once the Supervisor has evaluated and approved the request, it is provided to Human Resources. The leave request is reviewed by Sevatec Executive Management for final approval. Human Resources will contact the Supervisor with Sevatec Executive Management decision. Consideration of an unpaid leave request will be made based upon a number of factors including, but not limited to customer needs, job performance, length of service, good standing regarding attendance, and other relevant factors. Other than as may be required by law, an employee has no right to unpaid leave status.

An employee must arrange a personal leave of absence with his/her supervisor before taking this leave. Supervisors will grant or deny requests on a case-by-case basis, taking into account the reason for the request and the business needs of the company. **Leave Without Pay (LWOP) MUST be taken in 8-hour increments and can ONLY be used after all PTO leave balance has been expended.**

If an employee returns from a personal leave of absence within the arranged time period, the employee is guaranteed his/her same position upon return. If a leave of absence is extended beyond the initial time period, the company will make every effort to place the employee in a comparable position upon his or her return. However, the company can't guarantee that a comparable position will be available and, if not, the employee may be laid off for lack of work. A personal leave of absence may not exceed thirty (30) business days unless circumstances justify an extension.

Definitions: None

6.5 Policy on Continuation of Benefits

All active regular full-time employees covered by Sevatec's medical insurance plan will be eligible to continue medical coverage for up to twelve (12) weeks following the beginning of leave for:

- An authorized, paid or unpaid leave of absence (short/long term disability, FMLA, military);
- A temporary lay-off due to lack of work;
- Voluntary or Involuntary termination of employment.

An employee who is away from work for one of the above stated reasons must pay his share of employee coverage, including dependent coverage, if any, to maintain health care coverage during the time away from work. Upon the expiration of twelve (12) weeks, or if an employee fails to pay his/her employee contribution for benefits within thirty (30) days from the established due date communicated to the employee and no applicable state or federal law provides otherwise, the employee's health care coverage, including dependent care coverage, will be terminated. Continuation of health care coverage will be offered through COBRA.

Definitions: None

6.6 Workers' Compensation Insurance

To provide for payment of employee medical expenses and for partial salary continuation in the event of work-related accident or illness, employees are covered by workers' compensation insurance and is based on state regulations.

The amount of benefits payable and the duration of payment depend upon the nature of the employee's injury and illness. All medical expenses incurred in connection with an on-the-job injury or illness and partial salary payments are paid in accordance with applicable state law.

If an employee is injured or becomes ill on the job, the employee must immediately report such injury to the Vice President of Human Resources. This ensures that Sevatec can help obtain appropriate medical treatment. An employee's failure to follow this procedure may result in the appropriate workers' compensation report not being filed timely in accordance with the law, which may delay benefits in connection with the injury or illness. Questions regarding workers' compensation insurance should be directed to the Vice President of Human Resources.

Definitions: None

6.7 Inclement Weather Policy

In the event of inclement weather, it is Sevatec's goal to remain open and provide service to its clients.

Most Sevatec employees have the option of teleworking during inclement weather conditions (see sub-section 4.3 "Teleworking Policy"). However, if you are working on a contract, please contact your immediate supervisor for specific instructions regarding your contract.

6.7.1 Unscheduled Leave

Under Unscheduled Leave status, Sevatec is open for business, but if you, as an employee, experience difficulty in reporting to work, you may take Unscheduled Leave. Unscheduled Leave is the use of PTO or Leave Without Pay (only if PTO has been exhausted) by an employee. Although advanced approval is not required, employees must notify their supervisor prior to their normal arrival time or as soon as possible if they experience problems getting to work or plan to take Unscheduled Leave. This may be done through e-mail or voice mail.

6.7.2 Notification of Employees

Sevatec will notify employees by way of e-mail if the office is on "Unscheduled Leave" or if the office is closed.

6.7.3 Time Reporting

Employees who choose to take Liberal Leave/Unscheduled Leave should record their time as PTO.

Definitions: None

7.0 Employee Benefits Policy

7.1 Group and Health Related Benefits Policy

Sevatec provides group insurance programs covering medical, prescription drug and dental care. Under the current policy, the employee is responsible for a portion of the costs of insurance. The company reserves the right to change policies, at which time the employee may become responsible for a higher portion of the costs of insurance. Employee premium contributions are deducted through a Section 125 Plan enabling the contribution to be paid using pre-taxed dollars.

These programs are available to all eligible employees. Most benefits commence on the first day of employment.

It is our goal to hire employees who work hard and help Sevatec prosper. In turn, this allows the company to offer competitive benefits. Group and health-related benefits programs offered by Sevatec include:

- Medical (includes a discount vision plan) and Dental Insurance
- Life Insurance, AD&D, and Supplemental Life Insurance
- Long-Term and Short-Term Disability Insurance
- Training Reimbursement
- Employee Assistance Program
- Flexible Spending Account
- Performance Bonus and Spot Incentives
- Metro Smartcard Benefits
- 401(k) Plan
- Payroll Direct Deposit

The following briefly describe our benefits programs. Legal plan documents contain complete details and always govern if a question arises. For information regarding these and other company benefits, contact the Human Resources Department.

7.1.1 Eligibility and Enrollment

Unless otherwise noted, employees are eligible for the above-listed benefits (Section 7.1) upon hire. There is no designated waiting period. Employees must enroll by completing the appropriate paperwork within thirty (30) days of becoming eligible. Eligibility begins on the date of employment.

Should an employee have an eligible life changing event (marriage, birth, divorce, death, etc.) after enrollment in the plan, the employee has thirty (30) days to change coverage or they must wait until open enrollment at the end of the plan year, which may require evidence of insurability.

7.1.2 Medical, Vision, and Dental Insurance

One of the most important benefits for employees and their families is health insurance. Sevatec strives to offer a variety of health insurance plans to suit each of our employee's needs. Sevatec provides medical benefits through CareFirst for employees and their covered dependents (if elected). Employees may elect to enroll in one of three medical plans (BlueAdvantage 8, BlueAdvantage 4, or BluePreferred PPO. Our Advantage 4 Plan offers coverage that well

exceeds the benchmark for our peers and the Advantage 8 plan offers coverage that is consistent with the benchmark for our peers. This confirms our goal of offering “best of breed” coverage with flexibility of choice. Our PPO plan is provided for employees with unique medical needs.

Dental benefits are provided through the Guardian. Examples of covered services include hospital charges, surgical charges, office visits, and prescription drugs. In addition, there is a vision plan through CareFirst and Davis Vision. Employees should maximize these benefits by reading coverage information and being familiar with and following the cost containment programs featured in the plan. More information is available at www.carefirst.com.

Sevatec pays a significant part of the premiums (above benchmark of our peers) for employees and their dependents who elect to participate in the medical and dental insurance programs. Employees are responsible for a small portion of the full cost of the premium, which will be deducted from your paycheck. The current rates can be found in UltiPro or by contacting the Vice President of Human Resources.

The company offers a "premium conversion" plan which allows employees to pay their portion of the medical insurance premium with pre-tax dollars.

7.1.3 Life Insurance and AD & D

The company provides Basic Life Insurance benefits through the Guardian. All active full-time employees (those who work at least thirty (30) hours per week) receive \$100,000 of life insurance coverage at no cost. Per IRS regulations, life insurance benefits over \$50,000 are taxable. In addition, employees may elect to purchase up to an additional \$300,000 of supplemental life insurance at very reasonable costs.

7.1.4 Long and Short Term Disability Insurance

Sevatec provides for Long-Term Disability (LTD) and Short-Term Disability (STD) benefits should an employee become disabled and unable to work as the result of an injury or illness. All active full-time employees (who work at least thirty (30) hours per week) become eligible for participation in the plan after completing the specified waiting period.

Short-Term Disability – employees are reimbursed 60% of their weekly salary up to a maximum of \$1,500 per week for a maximum period of 13 weeks. Employees are subject to a fourteen (14) day waiting period.

Long-Term Disability – long term disability begins after three months of a disability. Employees are reimbursed 60% of their monthly salary up to a maximum of \$6,000 per month, until recovery, death, or until they reach the age of 65.

7.1.5 Tuition Reimbursement

Sevatec provides employees reimbursement for Education Assistance. Detailed information can be found in Chapter 8 “Employee Education & Development”, sub-section 8.1.2 “Educational Assistance”.

7.1.6 Employee Assistance Program

During those extremely difficult times that occur in one’s life, Sevatec offers assistance for employees (and immediate household family members) by providing the Employee Assistance Program through the Guardian. This program provides confidential support, guidance, and resources for items such as emotional distress, financial or legal concerns, substance abuse,

family/personal relationships, etc. This program is available 24 hours a day, seven days a week during those times when a little extra help is necessary.

7.1.7 Flexible Spending Account (FSA)

The Flexible Spending Account allows full-time employees to set aside pre-taxed dollars in a type of savings account to cover eligible medical related expenses that are not covered by medical and dental insurance. Contributions are made through payroll deduction. Employees pay for eligible expenses using a convenient FSA debit card. An employee may participate in the account immediately upon hire - there is no waiting period. The FSA will allow you to participate in the following benefits:

- **Health Care Flexible Spending Account (FSA).** A Health Care FSA will allow you to receive tax free reimbursement for health care expenses not covered by your health or dental insurance. Employees may contribute up to \$2,700 for the 2019 plan year. These expenses may include deductibles, co-payments, dental or vision care expenses. Expenses eligible for reimbursement may be for you or for one of your dependents regardless of whether you or your dependents are covered under our medical plan.
- **Dependent Care Flexible Spending Account (FSA).** Employees who utilize child or edler daycare institutions in order to work will be able to pay for those expenses with pre-tax dollars. Employees may contribute up to \$5,000 for the 2018 plan year.
- **Parking and Transportation Reimbursement (FSA).** The Parking Reimbursement Plan allows you to set aside money on a pre-tax basis to pay for parking and transportation expenses related to your commute to and from work. You can contribute up to \$260 a month for parking and \$260 for transportation for the 2019 plan year. You may enroll and change your deferral amounts when you like, prior to the beginning of each month.

7.1.8 Rewards and Recognition Program

Every member of the Sevatec team is hired with the expectation that they have accepted a position in which they are fairly compensated, respected, and valued. As such, their goals should be to perform excellently every day. The definition of excellence for the Sevatec employee is to go beyond the expectations of their clients, their supervisors, and their teammates.

- **Agile Incentive Bonus Plan.** Sevatec has developed an exciting bonus program that provides a project-oriented incentive to an individual or project team for support of a project that is unique and non-recurring in nature, is not part of the individual's normal job responsibilities, requires time and effort in excess or in additional to their normal work responsibilities and is generally short term, within a measurable period and has a measurable outcome.
- **Win Bounty Program.** Sevatec has developed a plan to financial reward individuals who contribute in a valuable way towards supporting business development, capture, and the proposal efforts on which we are the selected offeror.
- **Ad Hoc Spot Awards** – everyday events
 - Star Performer Awards - Demonstrated extra effort over time
 - Exceptional contribution – Exceptional performance by an individual that has resulted in a significant positive impact on Sevatec
- **Team/Individual Awards:**

- High Performing Individual(s)/Team(s) – Sevatec recognizes a variety of individuals and Teams for their outstanding contributions to the success of their clients and/or the company.
- “Seva” Award – Outstanding performance by an individual who exemplifies our core values. Recipients of this award are nominated by peers of the firm.

7.1.9 401(k) Plan

Through the Sevatec 401(k) plan, which is regulated by federal law and administered by Mass Mutual, you can save up to 20% of your eligible compensation (subject to IRS maximum limits) through convenient, pretax payroll deductions. Generally, all employees who are at least 21 years of age are eligible to begin participating in the 401(K) plan the first day of the month following employment. Employees are auto-enrolled at 6% of their salary. Effective, April 1, 2019, Sevatec is implementing an immediate 100% vesting on the employer matching contribution of 50% of the employee's contributions up to 6% (maximum employer matching contribution is 3%).

7.1.10 Payroll Direct Deposit

Sevatec provides direct deposit to all employees, providing the convenience and peace of mind of knowing that their pay will automatically be available in their accounts when they need it.

Definitions: None

8.0 Employee Education & Development

8.1 Employee Education & Development Policy

Today's work environment demands employees to continuously improve their skills and education. It is the policy of Sevatec to provide educational assistance to enhance the skills and knowledge of employees consistent with the business of Sevatec. The purpose of this policy is to further describe the eligibility criteria, application, approval, and reimbursement process.

8.1.1 Career Development

Sevatec's career ladder program provides a roadmap for employees who are looking for upward mobility within the corporation. Employees are encouraged to familiarize themselves with the program and work with their supervisors to develop a plan that suits their long-term development goals. It is up to the employee to define his/her professional goals and his/her level of involvement in developmental activities. Employees are also responsible for relating their own goals to the company's needs.

Sevatec offers both training and developmental activities to assist employees in achieving their career goals. The following table illustrates the actions that employees and their supervisors can take to further their career development.

Contributor	Action
Employees	<p>Employees should:</p> <ul style="list-style-type: none"> • Develop a plan to maintain and increase their professional skills and knowledge, to be shared with their supervisor; • Actively undertake professional development through a combination of developmental activities, such as professional networks, work projects and volunteer experiences, as well as through education and specific training; • Communicate their developmental goals and needs to their supervisors; • Understand Sevatec's career ladders and how they fit in; • Take the time and invest the effort in self-assessment; • Seek out opportunities for growth inside and outside of the company.
Supervisors	<p>Supervisors should:</p> <ul style="list-style-type: none"> • Maintain high standards; • Communicate business issues and goals; • Give positive performance feedback and identify areas for development; • Provide a variety of experiences; • Work with employees to develop a professional development plan for upward mobility in Sevatec's career ladders; • Offer options to broaden an employee's perspective; • Build trust, provide support, and give autonomy; • Act as role models; • Serve as sounding boards for employee ideas and suggestions.

In support of employee and supervisor needs, Sevatec will:

- Demonstrate its commitment to development in daily activities;
- Work to establish and maintain an open environment that is trusting, supportive and provides opportunity;
- Encourage inter-functional and inter-divisional transfers as well as cross-functional activities and teams.

8.1.2 Job-Related Training Policy

Sevatec is committed to enhancing employee's skills. Therefore, Sevatec has made a significant investment in providing training tools each employee to utilize. Each regular full-time employee has access, through SharePoint, to over 1,800 online training courses, 8,000 videos, 95 pathways to certifications. These courses qualify for most CEU's. Because our number one priority is serving our clients, employees will need to invest their personal time to take advantage of these career development tools. These hours do not qualify for comp time, etc. The only exception to this policy is compliance related courses assigned by Human Resources; these may be charged to overhead.

In addition, as a performance driven organization, Sevatec will reward employees with individualized training opportunities in recognition for their superior performance. Project Managers, Directors, and Department Leads recognize and award individuals and teams for operational excellence based on a multi-tier system (Tier I and Tier II). Training opportunities are distributed to select individuals or teams based on overall employee assessment scores (SOAR) and individual/team contribution to the success of the project/company.

Employees with approved claims for training reimbursement must submit their expenses using a Training Reward Form. Training reimbursement will be repaid to Sevatec if the employee terminates employment less than one year from receipt of reimbursement (for courses over \$1,500). The reimbursement will be on a pro-rated basis, providing the employee credit for each month of service from the date they completed training, and received a passing score (if applicable).

Definitions: None

9.0 Additional Employee Benefits

9.1 Referral and Recruiting Policy

Sevatec grows by attracting individuals to our company who share our values and embrace our mission. As a knowledge-based company, recruiting new colleagues takes on a position of enormous importance, second only to revenue generation. We believe that our current colleagues are the best source of identifying prospective new members of the company. We further believe that our employees should be rewarded for their efforts in this regard.

This policy does not include temporary positions.

9.1.1 Referral/Recruiting Award

Sevatec will reward employees who participate in the recruiting process by referring prospective employees. Employees who refer candidates (who are hired) for full-time employment are eligible to receive a referral bonus of up to \$2,000 (determined by the “Priority” classification of the position).

- 50% of the referral bonus is paid after the new employee has completed 90 days of employment.
- 50% of the referral bonus is paid when the new employee has completed 6 months of employment.
- Employees and referred candidates must be employed with Sevatec at the time the referral bonuses are paid.

9.1.1.1 Eligibility

All current employees except the Directors, Vice Presidents, Executive Team, and members of Human Resources are eligible to participate. Project Managers are eligible to participate as long as the referral is not for their own project/program.

9.1.1.2 Procedure

It is the responsibility of the Sevatec employee to submit the referred candidate's resume and an Employee Referral Form to a Sevatec Corporate Recruiter for interview consideration.

When more than one employee submits an application for the same candidate, the first application received by a Corporate Recruiter will be eligible.

Prior to the employee referring an individual, the employee must have fully interviewed the prospective candidate. The employee must provide information on the candidate's work performance and qualifications and be in a position to attest personally to his/her skills and abilities. An employee is not eligible to receive a referral bonus for candidates that will be directly reporting to him/her.

Definitions: None

10.0 Employee/Employer Privacy Issues

10.1 Internal Communications Policies and Guidelines

Sevatec goes to great lengths to hire employees with trusted values and a high level of ethics. We believe in our employees and have put this policy in place for the exceptional circumstances. We feel our culture leads to an environment where situations will not warrant this policy to be tested. However, it has been put in place to protect both the employee and the company.

Desks and other storage devices are provided for employees; however, they are the property of Sevatec. Accordingly, they, as well as any articles found within them, can be inspected by a representative of Sevatec at any time, either with or without prior notice.

If there is probable cause, Sevatec also reserves the right, without prior notice, to search its premises thoroughly at any time and to conduct a search of any person(s), employee(s), belongings and desks/drawers as well as suppliers, vendors or couriers entering or leaving the premises. A search can also be conducted of any company equipment or personal equipment used in the scope and course of employment, including but not limited to computer equipment and files, personal computers, email and voicemail.

Sevatec may deny entry to the premises to anyone refusing to submit to a search. Failure to cooperate in a search may result in disciplinary action up to and including discharge.

10.1.1 Use of Company Computer System

The purpose of this policy is to outline the responsibilities of employees when using the company's computer system. The computer system, including the network or laptop computers, software, email and any online or internet access is the property of Sevatec. You are only authorized to use the computer system for business purposes. You are not permitted to use or download company-owned software for personal use outside of the company. In addition to the sections below, please refer to Sevatec's Corporate Electronic Communications Systems Policy for additional guidelines for appropriate use of company computer systems.

10.1.1.1 Security of the Computer System

It is vital to maintain the security of the computer system. Therefore, you are required to keep log-in protocols and passwords confidential and only disclose them to other company employees on a need-to-know basis. You are required to give your computer, email and online passwords to the System Administrator. You are required to refrain from using unauthorized software on the company's computer system.

10.1.1.2 Confidentiality of Information

It is vital to maintain the confidentiality of information on the computer system. Therefore, you are required to mark all sensitive information including but not limited to data, charts, email messages, online messages and documents ("computer documents") as: "***Sevatec Confidential Internal Use Only.***" If internal distribution of a computer document is limited, mark it: "***DO NOT FORWARD WITHOUT PERMISSION.***"

10.1.1.3 Non-Competition

During the course of your employment, you shall not use the computer system for purposes which are adverse to Sevatec business interests, including, but not limited to engaging in unauthorized communications to or business transactions with competitors; transferring the company's confidential, trade secret or proprietary information to third-parties without the

express written consent of Sevatec; preparing computerized information, files or documents which could be used to compete with the company; or, using the computer system to take other actions which are adverse to Sevatec.

10.1.1.4 Access to Computer Documents

All computer documents are automatically backed up on a regular basis. All computer documents, including email, voicemail and online messages, are company documents. The company reserves the right to monitor, access, print and disclose computer documents for legitimate business reasons, including to investigate suspected misconduct, locate needed information, satisfy a law or governmental request, or protect the company's interests. Therefore, employees are advised not to use the computer system for personal business or activities. Computer documents may also be subject to disclosure at the discretion of the owners.

10.1.2 Voicemail Policy

The voicemail system is the property of Sevatec. The company's employees are only authorized to use the voicemail system for business purposes. The company reserves the right to access, review, and disclose the contents of employee voicemail messages for legitimate business purposes, including to investigate suspected misconduct or violation of company policies, to disclose any information as necessary to satisfy any law or governmental request, or as necessary to protect the company's interests.

The voicemail system is provided by Sevatec and employees should use it with the expectation that messages sent on company business or with the use of company facilities may be subject to review and disclosure. The company generally will not monitor voicemail messages as a routine matter, but will do so for legitimate business reasons, including to investigate suspected misconduct and breaches of security, to protect the company's interests, and to locate information. Sevatec may override individual passwords and require employees to disclose passwords to facilitate access to the voicemail system.

10.1.3 Disciplinary Action

Violation of this policy is grounds for disciplinary action up to and including discharge. It is impossible to list every type of activity that would be considered an improper use of the computer system. However, the following are some examples of activities which are not permitted when using the computer system:

- Using the computer system for any unlawful purpose or to store or transmit unlawful material. Examples of unlawful material include pornography, libelous and defamatory material, including material that disparages the trade of clients, vendors and competitors, and copyrighted, trademarked, and other proprietary or confidential material used without proper authorization from the owner of the rights thereto.
- Using threatening, obscene or abusive language in connection with the computer system.
- Using the computer system in a manner that disrupts the normal use of the system for other users, including sending unsolicited email or advertising, spawning dozens of processes or making unauthorized attempts to access the systems and networks of others.
- Using the computer system to harass other employees or members of the public, including making remarks regarding race, creed, color, national origin, disability status or sexual orientation; making remarks which are derogatory or defamatory toward any person; making remarks that could be construed as harassment, including sexual harassment.

- Using the computer system to pursue personal business or activities, such as selling personal items or soliciting for personal charities.
- Discussing Sevatec confidential, trade secret or proprietary information on any part of the computer system that is not publicly accessible. Employees may not use the company's facilities to communicate anonymously online.
- Storing or transmitting programs containing viruses or trojans, or tools to compromise the security of Sevatec or other sites with the exception of materials used in the course of the company's product development.

Sevatec will investigate employee misconduct that involves the use of the computer system that is made the subject of a complaint or is otherwise brought to the company's attention. Investigations may include accessing employee's stored communications.

Sevatec reserves the right to refuse to post or to remove any communication, information or other content, in whole or in part, that, in the company's sole discretion, violates this policy, other company policies, or is otherwise unacceptable.

Definitions: None

10.2 Policy on Personnel Information and Records

Sevatec maintains personnel records on all employees. These include offer letters, insurance elections, pay changes, and similar data which relates to your service, compensation, and performance. Employees may review their personnel records on request to The Vice President of Human Resources. An employee may review his/her file in the Vice President of Human Resources' presence and make copies of any of its contents.

Personnel records may be reviewed by an employee's immediate supervisor and any member of the executive team with the exception of employee health records which are kept in a separate employee file.

Employee records are not open to those who do not have a specific need to know.

Staff members who may be privy to employee personal information including salaries, are expected to maintain confidentiality of such information. Failure to follow company policy may result in disciplinary action (see sub-section 11.2 "Progressive Discipline," for additional details).

Definitions: None

10.3 Policy on Employment Verification and Other Requests

Sevatec receives many requests for information on staff members and ex-staff members. Such requests include reference and credit checks, mortgage applications, subpoenas, and various other requests.

All such requests are to be handled by the members of the Department of Human Resources so that we can ensure adequate protection of everyone's privacy.

Requests which are made in writing and which have an individual's signed release will be completed fully. Telephone inquiries will not be answered except to confirm that a person does or did work for the company and confirm their title. These practices are designed to protect our employees.

Exceptions are that data is provided without staff member release where information is legally required by certain government agencies or as a part of a legal proceeding.

10.3.1 Requests for Employee Information

All requests for information pertaining to current or former employees shall be directed to the Vice President of Human Resources for response.

The Vice President of Human Resources may submit and act upon verbal requests for employee information from their counterparts within the corporation. Verbal requests for employee information may also be received from Sevatec's insurance carriers, third party administrators, identified representatives of federal, state and local agencies, officers of the court, and from Sevatec's attorneys and other attorneys acting on behalf of Sevatec, whose representation of Sevatec has been verified by the Vice President of Human Resources.

If disseminated information is in response to a verbal request, Human Resources shall retain a copy of any information furnished in writing and shall also retain notes of any verbal responses.

All other requests for employee information must be submitted in writing.

10.3.2 Dissemination of Employee Information

All responses shall generally be provided in writing, with a copy maintained at the originating source, except where extenuating circumstances require a verbal response, in which case, a note on the information disseminated shall be made. The decision to provide a verbal response shall be made by the Vice President of Human Resources.

Requests for information regarding current or prior employees should be responded to as follows:

- For requests from Sevatec's attorneys acting on Sevatec's behalf (as verified by the Vice President of Human Resources), insurance carriers, and third-party administrators, or from identified representatives of federal, state and local agencies and officers of the court, the Vice President of Human Resources may provide information contained within an employee's official personnel file, unless otherwise prohibited by applicable federal, state or local law.
- For requests received from all other sources, the Vice President of Human Resources shall release only an acknowledgement of an employee's service with Sevatec, dates of employment, positions held, and date of separation (if applicable). Any other information shall be released only upon the receipt of a signed authorization from the employee

approving the release of such information. The disclosure of any other information requires the prior approval of the Vice President of Human Resources.

All Sevatec employees are prohibited from disclosing information about other Sevatec employees including information regarding their family relationships, medical information, phone numbers, addresses or other personal information, except to the extent necessary to perform their duties as Sevatec employees. Questions about permissible and impermissible disclosures of information about other employees should be brought immediately to the attention of the Vice President of Human Resources before information is disclosed.

Sevatec will not assume liability for any information furnished which is not within the scope of this policy.

Definitions: None

11.0 Staff Development

11.1 Performance Appraisal Policy

11.1.1 Policy Overview

It is the policy at Sevatec to regularly review, evaluate, and coach employees through a written performance appraisal and discussion with the employee. The company also expects the highest standards of professionalism and technical competence from our workforce, and to provide employees performing below expectations the opportunity to improve.

Performance coaching is important for many reasons including:

- Supporting staff in setting goals, performance objectives, and professional development;
- Ensuring each employee has clearly understood performance expectations;
- Providing feedback on objectives, accomplishments, strengths, and areas for improvement;
- Ensuring that employees receive advice on how to improve performance, grow and develop; and
- Providing a forum by which to communicate career aspirations and goals.

Sevatec Open Appraisal Review (SOAR) provides the vehicle for a dialogue between the employee and supervisor and ensures shared expectations of the requirements for the employee's job and the employee's performance in the job.

Supervisors shall discuss job assignments and performance expectations with an employee at the time of hiring, transfer, promotion, or at regularly scheduled company review sessions. At this time, it is expected that the basis for the employee's evaluation and coaching for the upcoming period will be clearly set.

11.1.2 Policy Procedure

The practice at Sevatec is to provide at least two opportunities for feedback during a twelve (12) month period. Each employee will receive an annual appraisal on or around July an informal interim appraisal in January of each year. During the mid-year review, supervisors and their staff will have the opportunity to review current goals and objectives and discuss any areas that need to be improved.

Each supervisor with direct reporting staff will be responsible for conducting two appraisals for their staff each year.

11.1.2.1 Mid-year/interim appraisals

The supervisor should set up a time where the supervisor and employee can discuss status of current goals and objectives for the current year which were mapped out in the previous appraisal, areas that may need improvement, and any other issues that need to be addressed. If this is a first appraisal, you will discuss the goals and objectives that were developed within the first 30 days of employment. This will give the employee an opportunity to make adjustments, discuss areas where they are having difficulty, and discuss areas where they have made a significant contribution.

11.1.2.2 Annual Appraisals

Sevatec believes that it is very important to have the employee's input on their performance as well as the manager's, therefore, employees will be asked to prepare a self-appraisal. Once the

supervisor has developed the manager's appraisal, he/she is to "recommend" a salary increase to their Director, Vice President, or Executive.

Once the appraisal has been conducted, the supervisor and employee are to sign the SOAR form and return the package to the Human Resources Department. **NO SALARY ADJUSTMENT INFORMATION IS TO BE GIVEN TO THE EMPLOYEE AT THE TIME OF THE INITIAL APPRAISAL MEETING (IT MUST BE PRESENTED DURING A SEPARATE MEETING AND NOT UNTIL AFTER THE SALARY ADJUSTMENT HAS BEEN APPROVED BY THE VICE PRESIDENT OF HUMAN RESOURCES.)**

Definitions: None

11.2 Progressive Discipline Policy

The orderly and efficient operation of Sevatec requires that employees conduct themselves in a courteous and professional manner at all times. By accepting employment with us, you have a responsibility to Sevatec and your fellow employees to adhere to certain rules of behavior and conduct. The purpose of these rules is to help you understand what type of conduct is expected.

We recognize that conflicts occasionally occur in the workplace. When such conflict affects your work, your attitude, or your interactions with others, we expect you to take prompt action to resolve the issues that created the conflict. This should be done at the individual level with the minimum involvement of others whenever possible. If this is not possible, we expect you to seek advice and assistance as needed from your supervisor and management within your function or within those staff functions directly involved.

At times, there may be conditions which will necessitate the progressive discipline of an employee for many different reasons such as misconduct, performance issues, safety and health violations, misuse of property, and violation of company rules.

Although Sevatec is committed to providing employees with opportunities to remedy performance issues there are certain types of employee problems that justify either a suspension, or, in some situations, termination of employment, without going through the usual progressive discipline steps. Accordingly, Sevatec reserves the right to take whatever disciplinary action it deems appropriate based on the circumstances involved and there may be circumstances when one or more or all of progressive disciplinary steps are bypassed or where progressive disciplinary action is dispensed with altogether.

11.2.1 Applicability

In order to promote the common good and welfare of the company and its employees, Sevatec has established rules of conduct generally accepted in industry.

The commission of any of the acts listed in the table below will result in disciplinary action ranging from verbal or written warnings, to suspension, or to immediate discharge depending on the act and circumstances.

Act	Description
Attendance	<ul style="list-style-type: none"> • Excessive tardiness or absence. • Absence without notification for three (3) or more consecutive workdays. • Failing to report absence within 1-1/2 hours of starting time, which includes flex-time schedule. • Failing to return to from leave of absence as scheduled. • Improper use of accident leave or extended disability leave benefits.
Safety and Health	<ul style="list-style-type: none"> • Violating safety regulations. • Creating or contributing to any unsanitary condition. • Using, abusing or being under the influence of alcohol or unlawful drugs on company premises or while conducting company business. • Use of machinery, equipment, tools or roughhousing in a hazardous manner. • Failing to make immediate report of an occupational injury. • Possessing firearms, weapons, explosives, etc. on company premises.
Misuse of Property	<ul style="list-style-type: none"> • Damage to, or improper use of, company property either willfully or through gross negligence. • Unauthorized possession of company property.

Act	Description
	<ul style="list-style-type: none"> • Disclosure of confidential company information to outsiders without proper authorization. • Unauthorized use of bulletin boards and/or posting notices in unauthorized places. • Stealing or committing any criminal offense on company property or involving company property.
Misconduct	<ul style="list-style-type: none"> • Fighting, hitting, pushing, forcibly grabbing another employee or client, or otherwise committing an assault and/or similar physical acts or threats while on company premises, conducting company business, or while representing the company. • Loafing, loitering or sleeping on the job. • Using abusive or threatening language. • Disorderly, offensive, or immoral conduct. • Commission of a felony or crime involving dishonesty while employed by the company. • Gambling on company premises. • Failure to comply with federal, state, or local equal employment statutes, rules, and regulations regarding discrimination and/or harassment, including sexual harassment. • Careless or willful destruction or damage to company property or the property of other employees or a company client. • Falsification of company records including, but not limited to, financial records, travel expense vouchers, timesheets, employment applications, medical claim forms, and other employee forms and documents. • Unauthorized dissemination of personal information from employee files or improper use of such information. • Insubordination • Refusal or failure to carry out a reasonable job assignment or job request after being warned that failure to do so could result in a recommendation for termination. • Any behavior that is seriously disruptive of the normal flow of company business. <p>In cases of misconduct, employees are subject to disciplinary action up to and including termination. Employees who are terminated for misconduct will not be eligible for rehire.</p>

11.2.2 Disciplinary Procedure

In the event that discipline is necessary, Sevatec generally proceeds with the following progressive disciplinary steps:

11.2.2.1 Verbal Warning

This is often the first step to correct performance or behavior issue(s). Although the warning is administered verbally, this warning is documented. Verbal warnings will:

- Describe the behavior or circumstances that made the verbal warning necessary.
- Be designated as a verbal warning.
- Provide counseling to the employee and determine action(s) to be taken to corrected problem(s).
- Express continued support for the employee, knowledge that the employee will improve his or her actions or behavior, and a willingness to assist in any way possible.

A written record of the correction will be placed in the employee's personnel file.

11.2.2.2 Written Warnings

Written warning will generally be given when an issue has been previously addressed with a verbal warning, but improvement has not been demonstrated within an appropriate or agreed upon timeframe or when behavior or performance is severe and needs immediate correction. It is not necessary to have given a verbal warning before proceeding with a written warning.

- **NOTE:** Following a written warning, there are a number of options available to address continued behavior or performance issues. Those options are: suspension without pay, performance improvement plan, or separation from Sevatec.

Written warnings will:

- Describe the behavior or circumstances that made the action necessary.
- Describe the counseling received by the employee, including the necessary corrective action and date, if appropriate, and when the deficiency is to be corrected.
- Be designated as also having been a written warning.
- Contain a sentence or two indicating continued support for the employee, encouragement that the employee will improve his or her actions or behavior, and a willingness to assist in any way possible.
- Contain a statement that failure to improve could place the employee's job in jeopardy.
- Contain a closing as follows: "Your signature below indicates that you have read this memorandum and understand its contents, not necessarily that you agree with it. You may submit a written rebuttal covering any part of the memorandum with which you do not agree or wish to explain further."
- Be signed and dated by the employee. If the employee refuses to sign, a notation to that effect will be made on the memorandum and be witnessed and dated by the supervisor and the Vice President of Human Resources.

The employee will be given a copy of the written warning and the original will become a permanent addition to the employee personnel file.

If the employee has improved his/her performance to the satisfaction of the supervisor, a memo from the supervisor should be forwarded to the employee stating that, and a copy forwarded to his/her personnel file for closure.

If the employee repeats the poor performance after coming off of the disciplinary warning, he/she may receive a second written warning. The employee will be asked to sign the warning. The employee will be given a copy of the second written warning and the original will become a permanent addition to the employee's personnel file.

If the poor performance continues after coming off the second written disciplinary warning, he/she may be terminated and will not be eligible for rehire.

Definitions: None

11.3 Termination Policy

11.3.1 Voluntary Termination

Voluntary termination of employment occurs when separation is initiated by the employee. If an employee is absent, without contacting the company and gaining supervisory approval for three (3) or more consecutive workdays, he/she will be considered to have voluntarily terminated their employment.

An exit interview should take place with any employee whose active employment is being terminated voluntarily. Exit interviews are confidential and should be scheduled with the Human Resources Department.

All property, including identification badges and keys, must be returned on or before the last day of work. An employee must continue to protect confidential and proprietary Sevatec information, including trade secrets and inventions, if applicable, even after he or she leaves Sevatec.

Should keys not be returned on the last day of employment, Sevatec reserves the right to change associated locks at the expense of the terminating employee.

Sevatec may elect to email an exit interview survey to terminating employees. The exit interview affords an opportunity to discuss such issues as employee benefits, benefit conversion privileges, repayment of outstanding advances and debts to Sevatec, or return of Sevatec owned property.

11.3.1.1 Notice Period

As a professional courtesy, employees should give a minimum of two (2) weeks of notice of their intent to terminate employment with Sevatec. No leave days should be taken during the final two (2) weeks of employment as this time is to be used to document and transition the employee's duties.

The employee should provide this notice to their immediate supervisor in writing.

In certain circumstances, Sevatec reserves the right to provide pay in lieu of notice at the time of voluntary employment termination at its sole discretion.

11.3.2 Involuntary Termination

Involuntary termination of employment occurs when separation is initiated by the company. The company reserves the right to terminate employment at its sole discretion. An exit interview may be requested if being terminated involuntarily. The exit interview affords an opportunity to discuss such issues as employee benefits, benefit conversion privileges, repayment of outstanding advances and debts to Sevatec, or return of Sevatec owned property.

11.3.2.1 Notice Period

Sevatec can terminate employment at its sole discretion. Serious acts of severe misconduct and/or insubordination will not be subject to progressive discipline, but will result, in most cases, in immediate termination.

Definitions: As listed above

12.0 Other Employee/Employer Issues

12.1 Policy on Employment of Relatives and Significant Others

Qualified relatives and significant others of employees are eligible for employment by Sevatec; however, their employment assignments will be regulated for reasons of supervision, security, safety, and morale, in accordance with applicable state, federal and local laws and regulations.

Relatives and significant others, as defined below, may not be employed where they have a supervisory relationship with each other which allows one the authority to make, approve, or recommend personnel decisions affecting the other. In addition, relatives and significant others may not be placed in positions where (a) one is responsible for approving requests for financial disbursements or company material which could be provided for the other; or (b) either employee is responsible, either directly or indirectly, for performing work for, or implementing the policies of both at the same time. Finally, relatives may not be employed in positions where one has access to sensitive information concerning the other.

When a relationship as defined above is established Sevatec cannot guarantee continued employment to both employees. In such circumstances, Sevatec will:

- Attempt to reassign one or both to bring them into compliance with the provisions above based not only on senior management's assessment of how to minimize operational disruption, but also on the employees' work records, qualifications and length of employment.
- Make an effort to retain both individuals at the same physical location.

All proposed transfers, demotions, and promotions involving relatives must be reviewed by the Vice President of Human Resources to assure that resulting working relationships are consistent with the intent of this policy.

When working relationships arise that are in conflict with this policy, they are to be handled as soon as possible, but no later than two months after management has been made aware that such a relationship exists.

Definitions:

Relatives: Relatives and significant others are defined as spouses, parents, children, grandparents, grandchildren, brothers, sisters, aunts, uncles, nieces, nephews, in laws, life partners, girlfriends, boyfriends, fiancés, or any of these in a step relationship; also included are other relatives of employees where their personal relationship and their working relationship could result in an actual or potential conflict of interest as determined by the appropriate supervisor or manager. The policy also applies to any other similar situation, legal or de facto, which, in Sevatec's judgment, entails the same degree of closeness and is perceived to threaten the supervision, safety, security or morale of the working environment. The use of the term relatives shall be deemed to apply to employees in such relationships.

12.2 Policy on Recruitment From Clients

Our clients are vital to our continued success and growth. Sevatec employees may not actively recruit from a client's staff except for those who are referred by the client's management or are retiring from the client.

If you are approached by an individual, direct him/her to contact a Corporate Recruiter. Any direct application from an individual working for a client will be treated like any other applicant.

Definitions: None

13.0 Travel Policy

13.1 Applicability

These provisions apply to all individuals who expect to claim reimbursement from Sevatec for temporary travel.

Non-government Employees: This category includes staff and non-salaried employees (officers, trustees, committee members, etc.), temporary appointees, consultants, and special invitees.

Government Employees: Employees of a government agency with which Sevatec has a contract cannot be reimbursed for travel.

13.2 Transportation

In general, transportation expenses shall be paid on the basis of actual costs incurred by whatever form of transportation and routing desired by the traveler, subject to the condition that reimbursement cannot exceed the cost of coach-class air travel via the most direct route. If coach air travel cannot be obtained, the traveler must request prior written authorization from Sevatec's Chief Financial Officer (CFO) or an Executive Vice President (EVP).

13.2.1 Private Automobiles

Reimbursement for use of private automobile, when more advantageous to Sevatec than use of commercial transportation, shall be based on the rate set forth in the current Joint Travel Regulations ("JTR's") Regulations. Bridge, road, and ferry tolls, and parking fees may be reimbursed. Mileage for such travel shall not be more than one hundred ten percent (110%) of the most direct route. Justification supporting the direct route may be required.

When use of private car is for the convenience of the traveler, reimbursement by Sevatec will conform with the following guidance:

- In no case will reimbursement exceed the cost of tourist air travel by the most direct route.
- The duty time differential between driving and travel by air will be charged as travel time;
- Meals and lodging for that time will be paid by the employee.

13.2.2 Local Transportation

Bus, taxi, or rental car (when justified) will be reimbursed on the basis of actual expenses.

The least expensive mode of local transportation should be used when practical, e.g., shuttle vs. taxi from the airport. Tolls and parking fees are also allowable. Details of local transportation should be provided and receipts are required for any item; (cabs, parking fees, etc.) exceeding the amount as currently stated in the JTR's.

13.2.3 Rental Cars

13.2.3.1 Rental Cars

The use of rental cars is considered justified when:

- Public transportation is not available.
- Public transportation is not practicable.
- Cost of other local transportation, e.g., bus, taxi, etc., would exceed the cost of the rental car. Compact cars should be used unless demonstrably impractical.

13.2.3.2 Insurance Coverage

Insurance coverage for rented vehicles is provided by the rental agency with a standard deductible that Sevatec will pay in the event of an accident. In view of this "self-insured" approach for the deductible and the fact that the Sevatec traveler is covered by a group travel insurance policy, Sevatec's policy is to waive the deductible collision and personal accident insurance options offered in rental car agreements. Sevatec will not honor charges for these options if the traveler chooses them or neglects to waive them.

13.3 Subsistence

Subsistence allowable using government contracts funds.

13.3.1 Lodging

Actual expenses will be reimbursed to the extent that they do not exceed on a daily basis the maximum rate set forth in the current JTR's for that location. The maximum rate is calculated based on the daily lodging cost only, net of all applicable taxes. The Chief Financial Officer, or Chief Operating Officer are authorized to approve amounts that exceed the JTR lodging per diem rates up to a maximum of 300% of allowable limit. Hotel receipts are required.

13.3.2 Meals and Incidental Expenses (M&IE)

Expenses for meals, tips and other incidentals related to personal subsistence will be reimbursed in accordance with the policies and Meals and Incidental Expense rates published in the JTR's. Specific policies related to the calculation of these rates is provided below.

When travel is more than 12 but less than 24 hours, your allowance is 75 percent of the applicable M&IE rate.

When travel is 24 hours or more, your allowance is:

- 75% of the applicable per diem rate on the day of departure.
- 100% of the applicable per diem rate for full days of travel.
- 75% of the applicable per diem rate on the last day of travel.

Proportional Meals Rate (PMR) – through some means when at least one, but not all three meals have been provided to the traveler, the PMR published in the JTR's plus the allowance for incidental expenses applies for that day. This does not apply on travel days to and from the permanent duty station.

The daily maximum allowable rate is based on the rate set forth in the current JTR's for that location. Personal subsistence is not allowed for local travel of less than 12 hours. Travel is considered local when the traveler departs from his/her normal job location within the same workday (i.e., 12-hour rule).

13.3.2.1 Other Expenses

Actual costs of for other expenses (e.g. registration fees) related to official business of the trip may be reimbursed with actual detailed receipts subject to proper approval.

13.4 Travel

13.4.1 Local Travel

Travel to and from an employee's residence to their assigned the work location is considered normal and reasonable travel for which Sevatec would not reimburse the employee. Mileage reimbursement is meant to cover only those miles incurred above and beyond the employee's normal commute to his/her place of business. For example, if the normal commuting round trip is 20 miles, and the employee goes on a trip that covers 75 miles, only the incremental 55 miles are reimbursable. The number of days should also be taken into account. If the 75 miles in the above example were incurred over three business days, then the incremental reimbursable miles would be 15 ($75 - (3 * 20)$). Travelers may be eligible for M&IE per diem and lodging per diem when ALL of the following conditions are met.

- The travel location is more than 50 miles roundtrip from the travelers' permanent work location and the traveler's residence or driving time exceeds one hour from starting location to destination; AND
- The traveler is required to remain on official duty for an excess of twelve (12) hours (includes travel time), AND is also required to return to the travel location for duty early the next morning; AND
- The traveler is required to stay overnight for more than one night

Travelers may be eligible for lunch per diem for non-overnight local travel when the following condition is met.

- The traveler is required to remain on official duty for an excess of twelve (12) hours (includes travel time)

For non-overnight local travel exceeding twelve (12) hours, the actual expense of lunch will be reimbursed. A detailed receipt must be provided and under no circumstance should the amount exceed the lunch portion of the M&IE per diem for the travel location.

13.4.2 Foreign Travel

Prior approval of the government contracting officer must be obtained if stipulated in the contract from which the funds for foreign travel will be paid. Travelers are responsible for consulting with Sevatec's Contracts Department to verify the specific contractual requirements related to foreign travel to ensure proper authorization or consent is received prior to the travel dates.

Reimbursement for foreign travel will be made for transportation, lodging, and subsistence.

Original receipts must be provided for airfare, lodging, and local transportation exceeding the maximum amount as currently stated in the JTR's. The maximum reimbursement allowable for subsistence in foreign cities will be based upon the rates listed in the JTR's.

13.4.3 Procedures for Reimbursement

The travel expense voucher, with accompanying documentation, must be submitted to the Business Sector Lead for approval within ten (10) days of the completion of the travel. The Business Sector Lead will then forward the approved voucher to Sevatec headquarters for audit

and payment. Normally, reimbursement to the traveler will be made within 10 working days after receipt and approval of the expense report.

Documentation includes:

- Properly submitted Expense Report.
- The following original receipts (if a receipt is lost or unavailable, attach a statement of explanation):
 - Hotel
 - Airline ticket
 - Car rental receipt
 - Local transportation and parking, tolls, etc. for any single item in excess of the amount as currently stated in the Joint Travel Regulations.
 - Registration fees or other business.
 - Explanation for unusual expenses, e.g., more than normal aggregate expenses for local transportation, meals.
 - Client Approval (if applicable)

If a portion of the trip is devoted to personal travel, or is supported by some organization other than Sevatec, the traveler must include a note explaining in detail how allocation is made. Allocation will be subject to final approval by the Business Unit Lead and Sevatec headquarters.

13.4.4 Personal Leave while on Travel Status

- Personal leave while on travel status must be approved in writing prior to travel.
- If leave hours exceed work hours in a day, no per diem will be paid for that day. If leave hours do not exceed work hours, per diem will be paid only for the hours worked.
- Holidays and weekends are considered non-workdays.

Definitions:

Travel pertains to all officially authorized travel, except that associated with the relocation of an individual in connection with his appointment to Sevatec or any of its activities.

Authorization means prior official approval by the properly designated official of the activity concerned.

Reimbursable expenses for temporary include transportation, meals, lodging, gratuities, parking, tools, registration fees, and official telephone calls, subject to such restrictions as may be outlined in this section.

14.0 Policy on Updating Personal Data

Sevatec keeps certain personal data on you that is used to pay you, to provide you with benefits, and to meet governmental requirements. It is important that you keep such information current.

Please inform Human Resources, via UltiPro, of any of the following:

- Change of address and/or telephone number.
- Should you marry or divorce, the date of the action.
- Any name changes and when it occurs.
- Changes in the number of dependents and when the change occurs.
- Changes in your emergency contact information.

Definitions: None