



Employee Policies and Manuals

The policies and procedures in this manual are not intended to be contractual commitments by Environmental Management, and employees shall not construe them as such.

The policies and procedures are intended to be guides to management and are merely descriptive of suggested procedures to be followed. Environmental Management reserves the right to revoke, change or supplement guidelines at any time without notice.

No policy is intended as a guarantee of continuity of benefits or rights. No permanent employment or employment for any term is intended or can be implied from any statements in this manual.

The State of Arizona is an "At Will" State.

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Introduction to Environmental Management

Welcome Letter

Welcome to Environmental Management! We are pleased to have you with us and hope that you find your new job rewarding and challenging. Environmental Management is a growing company, and we feel that all of us have the opportunity to benefit. We want to maintain the benefits of our current environment as we expand and grow the company over the coming years.

To reach our goal we must provide superior service to our customers and this means employing the best people. As a member of the Environmental Management TEAM, you are critical to our success. Through your success we can reach our goals.

Environmental Management strives to create an exciting, challenging and rewarding work environment that allows you to flourish. As a dynamic company, we offer many career opportunities. We want you to build a long and successful association with Environmental Management and be a happy and productive member of our team. Through your dedication, creativity, perseverance and efforts, our company will continue to grow.

Once again, welcome to Environmental Management and our best wishes for success. We appreciate your confidence in our future. Let's grow together.

Regards,

Dallas Caldwell

Vice President/Secretary

Company History

Environmental Management opened its doors on June 1, 1992 as a commercial janitorial service. During the past 30 years Environmental Management has become one of the leading cleaning companies in Arizona by expanding our services to IICRC certified hard floor care, carpet care, upholstery care, water and fire damage restoration, and other specialty services.

Company Goals

Our goals are simple... To provide the best cleaning experience possible so our customers continue doing business with us for many years to come and their referrals will create manageable growth.

Continuity of Policies - Right to Change or Discontinue

The policies and procedures in this manual are not intended to be contractual commitments by Environmental Management and employees shall not construe them as such. They are intended to be guides to management and merely descriptive of suggested procedures to be followed.

Environmental Management reserves the right to revoke, change, or supplement these guidelines at any time without notice. Such changes shall be effective immediately upon approval by management unless otherwise stated.

No policy is intended as a guarantee of continuity of benefits or rights. No permanent employment or employment for any term is intended or can be implied by statements in this manual. The State of Arizona is an "At Will" state.

Equal Opportunity Policy

Environmental Management is an Equal Opportunity employer.

No employee of the company will discriminate against an applicant for employment or a fellow employee because of race, creed, color, religion, sex, national origin, ancestry, age or any physical or mental disability. No employee of the company will discriminate against any applicant or fellow employee because of the person's veteran status.

This policy applies to all employment practices and personnel actions including advertising, recruitment, testing, screening, hiring, selection for training, upgrading, transfer, demotion, layoff, termination, rates of pay and other forms of compensation or overtime.

Recruitment

Environmental Management aggressively recruits to attract top caliber individuals to all levels of the organization. Company positions may be filled by either transfer or promotion of existing employees, or by new applicants who are recruited or apply. Recruitment may be conducted through advertising, employment agencies, schools, employee referrals or technical and trade referrals. Supervisors/managers should consider the most appropriate method of recruitment for filling departmental positions. All recruitment shall be conducted in an ethical, professional and non-discriminatory manner.

Environmental Management provides equal employment opportunity to all applicants on the basis of demonstrated ability, experience and training.

A list of current openings will be posted to all employees via e-mail or website postings.

Announcement of New Positions - OFFICE

The availability of all job openings will be announced within the organization prior to outside recruitment for any position. The job requisition giving job title, class, department, job functions and qualifications will be posted via e-mail to all employees.

An applicant must have at least 12 months experience in his or her current position before applying for another company position. All present employees are encouraged to review the requirements for each position and apply for those positions in which they are interested. All applications will be given the same consideration as outlined in the company recruitment policy.

Employee Selection and Development - OFFICE

Environmental Management provides equal opportunity to all applicants on the basis of demonstrated ability, experience, training, and potential. Qualified persons are selected without prejudice or discrimination as stated in the company's Equal Opportunity Policy.

The employment requisitions, initiated by the supervisor/manager, will define the job-related tasks and qualifications necessary to assume the position. The defined tasks and stated qualifications will be the basis for screening applications. The supervisor/manager will conduct structured initial interviews limited to job-related questions to assess each candidate's experience, demonstrated ability and training. The telephone may be used for these initial interviews.

Recruiting is only one part of continued employee development, which is a five-part process designed to help retain good workers. The employment development process includes (1) recruiting, (2) interviewing, (3) hiring, (4) training and (5) evaluation.

Recruiting — Recruiting involves a variety of factors:

- Developing a job description
- Finding candidates through
 - Employee referral
 - Job boards – Team Engine
 - Advertising in trade magazines and the general media
 - Executive recruiters

Interviewing (OFFICE)— Interviewing also involves a variety of factors:

- Telephone screening to determine if candidates meet the job description
- Initial one-on-one interviews
- Follow-up interviews with peers (supervisors or managers)
- Checking references and backgrounds
- Gaining the consensus of interviewers to hire or not to hire
- Drug Screening

Before extending an employment offer and upon the applicant's prior agreement, at least two applicant references must be checked. Inquiries are to be made in a professional manner requesting only factually verifiable and job-related information. The reference data is used only as supplemental information for the hiring decision.

Hiring — Once the manager has made a decision to make the offer and has confirmed key terms, the next step involves making the verbal and written offer culminating in the employee's first day as a member of the Environmental Management team. Following employment, the references and interview ratings must be retained for up to one year and then may be destroyed.

After candidate interviews, verification of employment history and reference inquiries, the hiring manager is responsible for the employment offer. After the verbal offer has been made and the candidate has agreed to the essential terms of the offer (typically the position, employee classification, salary or rate, and the starting date), a written offer may be prepared and submitted to the candidate in person or by mail confirming the verbal offer and will include the essential terms of the verbal offer as agreed to by the candidate. The candidate may be required to sign and date an acceptance of the written offer that will state as follows:

"The undersigned accepts the above employment offer and agrees that it contains the terms of employment with Environmental Management, and that there are no other terms express or implied. It is understood that employment is subject to verification of identity and employment eligibility and may be terminated by Environmental Management at any time for any reason."

The verbal or written offer must never express or imply that employment is "permanent," "long-term," of a specific duration, or words of similar meaning. An exception may be made where a temporary position of known duration is to be filled. Employment may be made contingent upon certain job-related factors, such as obtaining a specific state or federal license when appropriate or desirable.

After the candidate has accepted the employment offer, she or he will be required to provide documentation of identity and employment eligibility in accordance with federal law. Form I-9, shall be used for this purpose.

Here is an outline of the hiring process from the office:

- Make verbal offer
- Follow-up with basic offer letter outlining key terms - management
- Receive acceptance of offer letter from new employee - management
- File paperwork (W-4, signed employment agreement and I-9)
- Send applicant to be fingerprinted or submit backgrounds to Secure Test
- Send applicant to Concentra Medical Center for drug screening if necessary

Training (Supervisors) — All new employees will be provided with an orientation briefing, which will be held within their first week of employment with the company. The orientation is designed to acquaint the new employee with the company and its policies.

Supervisors/managers will be responsible for ensuring the attendance of new employees at the company orientation sessions.

On the first day of employment, the employee's supervisor/manager is responsible for assisting the employee in completing all check-in and benefit enrollment procedures with the Personnel and Accounting departments. In addition, the supervisor/manager will ensure that the new employee receives an introduction within the company and is provided with in-depth information regarding his or her specific role and responsibilities within his or her department.

Here is a brief outline of this first week:

- Introduction to co-workers on Day 1, WebSite
- Supervisor/manager identifies specific roles and responsibilities of employee on Day 1
- Supervisor/manager reviews company history, products, customers and competition within 1st week of employment
- Supervisor/manager will provide the employee with a "handbook"

Evaluation — Giving constructive feedback at various times during the employment relationship is the final stage of the employment development process. New and existing employees will be provided with feedback at different times during the year.

Supervisors will provide the following:

- New employees will be provided performance evaluation criteria at the end of the 90 days of employment, this can be over the telephone
- Quarterly feedback sessions with all employees, must be in person
- Semiannual professional development review for all employees
- Annual Performance Reviews for all employees, must be in person

Sexual Harassment

Environmental Management will not allow any form of sexual harassment within the work environment.

Sexual harassment interferes with work performance and creates an intimidating, hostile or offensive work environment. Sexual harassment influences or tends to affect the career, salary, working conditions, responsibilities, duties or other aspects of career development of an employee or prospective employee; or creates an explicit or implicit term or condition of an individual's employment. It will not be tolerated.

Sexual harassment, as defined in this policy, includes, but is not limited to, sexual advances, verbal or physical conduct of a sexual nature, visual forms of a sexual or offensive nature (e.g., signs and posters) or requests for sexual favors.

Any intentional sexual harassment is considered to be a major violation of company policy and will be dealt with accordingly by corrective counseling and/or suspension or termination, depending upon the severity of the violation.

In the event you feel you have been sexually harassed, please notify Dallas Caldwell at 520-906-5270 immediately.

Illegal Drug Abuse/Alcohol Abuse

This policy is implemented because we believe that the impairment of any Environmental Management employee due to his or her use of illegal drugs or due to alcohol abuse is likely to result in the risk of injury to other employees, the impaired employee, or to third parties, such as customers or business guests. More over illegal drug abuse adversely affects employee morale and productivity.

"Impairment" or "being impaired" means that an employee's normal physical or mental abilities or faculties while at work have been detrimentally affected by the use of illegal drugs or alcohol.

The employee who begins work while impaired or who becomes impaired while at work is guilty of a major violation of company rules and is subject to severe disciplinary action. Severe disciplinary action can include suspension, dismissal or any other penalty appropriate under the circumstances. Like-wise the use, possession, transfer or sale of any illegal drugs on company premises or in any Environmental Management storage area or job site is prohibited. Employees who violate this rule are subject to severe disciplinary action. In all instances disciplinary action to be administered shall be at the sole discretion and determination of the company.

When an employee is involved in the use, possession, transfer or sale of illegal drugs in violation of this policy, the company may notify appropriate authorities. Such notice will be given only after such an incident has been investigated and reviewed by the employee's supervisor and the personnel director. Environmental Management is aware that illegal drug abuse is a complex health problem that has both physical impact and an emotional impact on the employee, his or her family, and social relationships. A drug abuser is a person who uses illegal drugs, as defined above, for non-medical reasons, and this use affects job performance detrimentally or interferes with normal social intercourse at work. Illegal drug abuse is both a management and a medical problem.

A supervisor/manager who suspects a drug or alcohol abuse case should discuss the situation immediately with his or her supervisor/manager. Because each case is usually different, the handling and referral of the case must be coordinated with the supervisor/manager and the personnel director.

Applicants who have a past history of substance abuse and who have demonstrated an ability to abstain from the substance, or who can provide medical assurance of acceptable control, may be considered for employment as long as they are otherwise qualified for the position for which they are applying.

Management has chosen to adopt an alcoholic beverage policy in keeping with the concern for and the risks associated with alcohol use. Alcoholic beverages shall not be served or used on the Environmental Management premises at any time. Alcoholic beverages shall not be used in conjunction with any company business meeting.

Social activities held off-premises and paid for on a personal basis are not affected by this policy. If management considers it appropriate, light alcoholic beverages may be served at company-sponsored events held off-premises and for purely social reasons. The service must be managed in good taste and with good judgment.

The company is concerned with its employee's privacy, especially when matters regarding medical and personal information are involved. As long as the information is not needed for police or security purposes, the company shall maintain employee medical and personal information in confidence and release this information to authorized company personnel on a "need to know" basis. An exception to this policy is when the employee signs a release for the transfer of such information on forms acceptable to the company to designated persons or agencies.

Nothing contained in this section shall eliminate or modify the company's right to terminate any employee at any time for any reason.

Smoking

No smoking will be allowed in the office area, job sites at any time and in company vehicles. This policy is for the health and safety of all employees and clients.

Employment Classifications

There are three classifications of employees:

Regular Full-time — An employee who works a minimum 40-hour workweek on a regularly scheduled basis.

Regular Part-time — An employee who works less than a normal 40-hour workweek on either a regularly scheduled basis or on an irregular basis.

Temporary — An employee hired for a position required for only a specific, known duration, usually less than six months, and who is not entitled to regular benefits. A temporary employee may be full-time or part-time. In addition to the use of this classification for secretarial or clerical positions, it applies to students working part-time and those who work during the summer.

All employees are classified as exempt and nonexempt according to these definitions:

Salaried Exempt — Positions of a managerial, administrative or professional nature, as prescribed by federal and state labor statutes, which are exempt from mandatory overtime payments.

Salaried Nonexempt (hourly) — Positions defined by statute, which are covered by provisions for overtime payments.

If you are uncertain as to your status, please contact your supervisor/manager.

Employee Safety

Environmental Management strives to provide its employees with a safe and healthful workplace environment. To accomplish this goal, both management and employees must diligently undertake efforts to promote safety.

All job-related injuries or illnesses are to be reported to the office immediately or on the next business day, regardless of severity. In the case of serious injury, an employee's reporting obligation will be deferred until circumstances reasonably permit a report to be made. Failure to report an injury or illness may preclude or delay the payment of any benefits to the employee and could subject Environmental Management to fines and penalties.

Return to Work After Serious Injury or Illness

As a joint protection to the employee and the company, employees who have been absent from work because of serious illness or injury are required to obtain a doctor's release specifically stating that the employee is capable of performing his or her normal duties or assignments. A serious injury or illness is defined as one that results in the employee being absent from work for more than one (1) week or one which may limit the employee's future performance of regular duties or assignments.

Environmental Management shall ensure that employees who return to work after a serious injury or illness are physically capable of performing their duties or assignments without risk of re-injury or relapse.

If the cause of the employee's illness or injury was job-related, the employee's supervisor/manager will make every reasonable effort to assign the returning employee to assignments consistent with the instructions of the employee's doctor until the employee is fully recovered. A doctor's written release is required before recovery can be assumed.

Performance Improvement

Performance improvement may be suggested whenever company management believes that an employee's performance is less than satisfactory and can be resolved through adequate counseling. Corrective counseling is completely at the discretion of company management. The company desires to protect its investment of time and expense devoted to employee orientation and training whenever that goal is in the company's best interests. The company expressly reserves the right to discharge "at will." Even if corrective counseling is implemented, it may be terminated at any step at the discretion of management. Management, in its sole discretion, may warn, reassign, suspend or discharge any employee at will, whichever it chooses and at any time.

The supervisor/manager will determine the course of action best suited to the circumstances. The steps in performance improvement are as follows:

Verbal counseling — As the first step in correcting unacceptable performance or behavior, the supervisor/manager should review pertinent job requirements with the employee to ensure his or her understanding of them. The supervisor/manager should consider the severity of the problem, the employee's previous performance appraisals and all of the circumstances surrounding the particular case. Stating that a written warning, probation or possible termination could result if the problem is not resolved should indicate the seriousness of the performance or misconduct. The employee should be asked to review what has been discussed to ensure his or her understanding of the seriousness of the problem and the corrective action necessary. The supervisor/manager should document the verbal counseling for future reference immediately following the review.

Written counseling — If the unacceptable performance or behavior continues, the next step should be a written warning. Certain circumstances, such as violation of a widely known policy or safety requirement, may justify a written warning without first using verbal counseling. The written warning defines the problem and how it may be corrected. The seriousness of the problem is again emphasized, and the written warning shall indicate that probation or termination or both may result if improvement is not observed. Written counseling becomes part of the employee's personnel file, although the supervisor/manager may direct that the written warning be removed after a period of time, under appropriate circumstances.

Probation — If the problem has not been resolved through written counseling or the circumstances warrant it, or both, the individual should be placed on probation. Probation is a serious action in which the employee is advised that termination will occur if improvement in performance or conduct is not achieved within the probationary period. The employee's supervisor/manager, after review of the employee's corrective counseling documentation, will determine the length of probation. Typically, the probation period should be at least two weeks and no longer than 60 days, depending on the circumstances. A written probationary notice to the employee is prepared by the supervisor/manager. The letter should include a statement of the following:

- The specific unsatisfactory situation;
- A review of oral and written warnings;

- The length of probation;
- The specific behavior modification or acceptable level of performance;
- Suggestions for improvement;
- A scheduled counseling session or sessions during the probationary period; and
- A statement that further action, including termination, may result if defined improvement or behavior modification does not result during probation. "Further action" may include, but is not limited to, reassignment, reduction in pay, grade or demotion.

The supervisor/manager should personally meet with the employee to discuss the probationary letter and answer any questions. The employee should acknowledge receipt by signing the letter. If the employee should refuse to sign, the supervisor/manager may sign attesting that it was delivered to the employee and identifying the date of delivery. The probationary letter becomes part of the employee's personnel file.

On the defined probation counseling date or dates, the employee and supervisor/manager will meet to review the employee's progress in correcting the problem, which led to the probation. Brief written summaries of these meetings should be prepared with copies provided to the employee.

At the completion of the probationary period, the supervisor/manager will determine whether the employee has achieved the required level of performance and to consider removing the employee from probation, extending the period of probation or taking further action. The employee is to be advised in writing of the decision. Should probation be completed successfully, the employee should be commended, though cautioned that any future recurrence may result in further disciplinary action.

Involuntary Termination — The involuntary termination notice is prepared by the supervisor/manager with concurrence of, and review by, the accounting department. The employee is notified of the termination by the supervisor/manager and will be directed to report to the accounting department for debriefing, completion of termination documentation, and signing for their final paycheck. Involuntary termination is reserved for those cases that cannot be resolved by corrective counseling or in those cases where a major violation has occurred which cannot be tolerated.

The following definitions and classification of violations, for which corrective counseling, performance improvement or other disciplinary action may be taken, are merely illustrative and not limited to these examples. A particular violation may be major or minor, depending on the surrounding facts or circumstances.

Minor violations — Less serious violations that have some effect on the continuity, efficiency of work, safety, and harmony within the company. They typically lead to corrective counseling unless repeated or when unrelated incidents occur in rapid succession. Here are some examples of minor violations:

- Excessive tardiness;

- Unsatisfactory job performance;
- Defacing company property;
- Interfering with another employee's job performance;
- Excessive absenteeism (Over 7 Days);
- Failure to observe working hours, such as the schedule of starting time, quitting time, rest and meal periods;
- Performing unauthorized personal work on company time;
- Failure to notify the supervisor/manager of intended absence either before or within one hour after the start of a shift; and
- Unauthorized use of the company telephone or equipment for personal business.
- Unauthorized use of company vehicles.

Major Violations — These more serious violations would include any deliberate or willful infraction of company rules and may preclude continued employment of an employee. Here are some examples of major violations:

- Fighting on company premises;
- Repeated occurrences of related or unrelated minor violations, depending upon the severity of the violation and the circumstances;
- Any act which might endanger the safety or lives of others;
- Departing job site and/or company premises during working hours for personal reasons without the permission of the supervisor/manager;
- Bringing firearms or weapons onto the company premises;
- Deliberately stealing, destroying, abusing, or damaging company property, tools, or equipment or the property of another employee or visitor;
- Disclosure of confidential company information or trade secrets to unauthorized persons;
- Willfully disregarding company policies or procedures;
- Willfully falsifying any company records;
- Willfully deleting any files and company records;
- Employee's conviction for or confession to fraud, misappropriation, embezzlement, theft or the like against the company;
- Employee's conviction of a felony or a crime involving moral turpitude;
- If Employee performs any intentional act which, under the reasonable man standard, damages the reputation of the company;
- Employee's conviction for or confession to sexual harassment in any form towards employees of the company or anyone affiliated with the company; or
- Employee's excessive absence from performing his duties for the company, as determined by the company, in the company's sole and absolute discretion.

Termination

Terminations are to be treated in a confidential and professional manner by all concerned. The supervisor/department manager must assure thorough, consistent and evenhanded termination procedures. This policy and its administration will be implemented in accordance with the company equal opportunity statement.

Terminated employees are NOT entitled to receive all earned pay (vacation or sick)

Employment with the company is normally terminated through one of the following actions:

Resignation — voluntary termination by the employee;

Dismissal — involuntary termination for substandard performance or misconduct; or **Layoff** — termination due to reduction of the work force or elimination of a position

Resignation — An employee who wants to terminate employment, regardless of employee classification, is expected to give as much advance notice as possible. Two weeks or ten working days is generally considered to be sufficient notice time. If an employee resigns to join a competitor, if there is any other conflict of interest or if the employee refuses to reveal the circumstances or relationship of his or her resignation and the future employer, the manager may require the employee to leave the company immediately rather than work during the notice period. This is not to be construed as a reflection upon the employee's integrity but an action in the best interests of business practice. When immediate voluntary termination occurs for the above reasons, the employee may be granted pay "in lieu of notice," the maximum being two weeks of pay based upon a 40-hour workweek at the employee's straight-time rate or salary.

Dismissal — In any case involving an employee dismissal, a release should be signed upon review with Environmental Management legal counsel.

Substandard Performance — An employee may be discharged if his or her performance is unacceptable. The supervisor/manager shall have counseled the employee concerning performance deficiencies, provided direction for improvement, and warned the employee of possible termination if performance did not improve within a defined period of time. The supervisor/manager is expected to be alert to any underlying reasons for performance deficiencies such as personal problems or illegal drug abuse. The management team must concur in advance of advising the employee of discharge action. Documentation to be prepared by the supervisor/manager shall include reason for separation, performance history, corrective efforts taken, alternatives explored and any additional pertinent information.

Misconduct — An employee found to be engaged in activities such as, but not limited to, theft of company property, insubordination, conflict of interest or any other activities showing willful disregard of company interests or policies will be terminated as soon as the supervisor/manager and management team have concurred with the action.

Termination resulting from misconduct shall be entered into the employee's personnel file. The employee shall be provided with a written summary of the reason for termination. No salary continuance or severance pay will be allowed.

Layoff — When a reduction in force is necessary or if one or more positions are eliminated, employees will be identified for layoff after evaluating the following factors:

1. Company work requirements;
2. Employee's abilities, experience, and skill;
3. Employee's potential for reassignment within the organization; and

The immediate supervisor/manager will notify employees of a layoff. After explaining the layoff procedure, the employee will be given a letter describing the conditions of the layoff, such as the effect the layoff will have on his or her anniversary date at time of call-back, the procedure to be followed if time off to seek other employment is granted and the company's role in assisting employees to find other work. After consultation with the employee's supervisor/manager, the employee will follow one of the following procedures:

The employee will be terminated immediately and will receive, in lieu of notice, a severance pay for two weeks unless a different severance package is specified in the termination clause of his/her employment agreement. The payment will be based on a 40-hour work week at the employee's straight time rate or salary.

Termination Processing Procedures — The supervisor/manager must immediately notify the management team of the termination so that a termination checklist can be initiated. The management team will approve and direct the termination procedure.

All outstanding advances charged to the terminating employee will be deducted from the final paycheck by the payroll department.

On the final day of employment, the supervisor/or personnel director must receive all keys and company property from the employee.

The supervisor/manager shall conduct an exit interview with the employee.

The employee will pick up his or her final payroll check at the time of the exit interview. The final check shall include all time worked minus any expenses due the employee.

Grievance Procedure

Environmental Management recognizes the value of a grievance procedure that provides for the timely review of employee grievances in a fair yet workable manner. A grievance is considered to be any dispute between an employee and the company, which impacts on an employee's ability to perform his or her job.

Although purely personal matters between employees would not ordinarily give rise to a grievance subject to this grievance procedure, any matter that adversely affects an employee's ability to perform his or her job could be the subject of a grievance. Use good individual judgment and common sense as your guide.

An employee may express a verbal grievance to his or her immediate supervisor/manager. If the concern is not resolved to the employee's satisfaction within one week, the employee may put in writing the details of his or her grievance and submit the grievance to the immediate supervisor/manager.

Dallas Caldwell, who will appoint a person to decide the matter, will review the written statement. The employee and his or her supervisor/manager will request a hearing with the appointed person for resolution of the problem. The problem will be discussed in the presence of the employee and supervisor/manager. Final resolution of the grievance will be made by the appointed person and discussed with the employee and supervisor/manager.

The decision will be reduced to writing, a copy given to the employee and supervisor/manager, with the original kept by the personnel director. A copy will be filed in the employee's personnel file when appropriate.

Employment Disputes

Any dispute or claim that arises out of or that relates to employment with Environmental Management or that arises out of or that is based on the employment relationship (including any wage claim, any claim for wrongful termination or any claim based on any employment discrimination or civil rights statute, regulation or law), including tort or harassment claims (except a tort that is a "compensable injury" under workers' compensation law), shall be resolved by arbitration in accordance with the then effective commercial arbitration rules of the American Arbitration Association by filing a claim in accordance with the Association's filing rules, and judgment on the award rendered pursuant to such arbitration may be entered in any court having jurisdiction thereof.

Compensation

Equal Pay

Environmental Management will not pay wages to any employee at a rate less than the company pays employees of the opposite sex for work that is substantially equivalent requiring comparable skills.

This policy is to be construed in accordance with applicable federal and state laws and regulations.

Job Descriptions

Job descriptions are available in the Accounting department for all positions in the company. The items included in each position description are the following:

1. Title of position;
2. Department;
3. Position qualifications (essential qualifications including job experience, skills, and education); and
4. Job summary or overview;
5. Assigned duties and responsibilities;
6. Supervisor or manager.

Position descriptions are used to determine employee selection, job requirements, performance criteria, organizational structure, and the relative worth of jobs in relation to each other. Company management annually reviews all company positions to ensure equity and consistency in our Personnel system.

Workday

Office hours at Environmental Management are Monday through Friday from 08:00am to 05:00pm.

However, the nature of our business sometimes demands workday or workweek hours different than those set forth above. Variation to the schedule will be made or approved by department managers.

Payday

Paydays will take place on the **5th and 20th** of each month. If payday falls on a Saturday, checks will be handed out on previous Friday. If payday falls on a Sunday, checks will be handed out on the following Monday.

Pay Advances

It is our policy to decline all requests for early paychecks or pay advances for personal reasons. This is an issue that relates directly to the IRS payroll tax deposit requirements.

Overtime Compensation

Nonexempt salaried (hourly) employees will be paid at the rate of one and one-half times their regular hourly rate of pay for all time worked in excess of 40 hours in any one workweek.

Overtime is never at the employee's discretion. It shall only be incurred and paid at the request of the company through the employee's supervisor/manager. Supervisors/managers shall ensure that no unauthorized overtime hours are worked. In some cases, overtime may be paid as a lump sum for specialty work. The employee must agree in writing to this pay.

Rest Periods

Employees are required to take a 30 minutes rest period for every 6 hours worked. Rest periods will be automatically deducted from the time reported to meet this State requirement.

Performance Review

Environmental Management has adopted a management by objective approach to performance appraisal. It is the supervisor's/manager's responsibility to develop and maintain a work environment in which employees can openly discuss performance and develop plans. The employee will be notified in writing ten days in advance of the performance review date. Also included in the notification will be the time, place, and the discussion topics for the employee to prepare for the review. The employee, as well as the supervisor/manager, is to bring the following to the review meeting:

- A summary statement of the progress made toward meeting his or her employment goals;

- Examples of job-related areas demonstrating greatest strengths and identifying areas where additional training is needed;
- An outline of job-related tasks in which the employee can participate to improve performance;
- A recommendation of job responsibilities and goals to be established for the next six-month period;
- A summary of overall employment performance. (Employee Notes Report)

The supervisor/manager is responsible for establishing a relaxed atmosphere at the performance review and encouraging two-way communication. The discussion should be conducted in a positive manner, in complete privacy and with no interruptions. The supervisor/manager shall verify that the employee is familiar with his or her job duties, previous goals and the appraisal criteria or factors. At the conclusion of the performance appraisal, the employee will be requested to sign the appraisal verifying that he or she participated in the evaluation. The employee should be encouraged to submit comments about the appraisal that will become part of the record. A date for the next appraisal shall be agreed upon and noted on the appraisal form. The employee must be given a signed copy of the appraisal. The appraisal is then submitted for review by the next level of management.

Environmental Management believes that pay increases should be related to an employee's performance. Following performance reviews, the supervisor/manager will rank the employee's performance according to his or her relative level of contribution to the company. Factors will include how well the employee has met the objectives agreed upon in the last review and the employee's level of contribution to the success of the department/division relative to other employees. The supervisor/manager will rank all department/division employees in one of five groupings by referring to monthly inspection results:

1. Unsatisfactory
2. Marginal
3. Good
4. Very Good
5. Outstanding

Any employee receiving a rating of 1 or 2 must be put on warning with a corrective action plan to address the issues identified.

A decision relating to the employee's merit increase in pay will be made by the supervisor/manager after the review and ranking process has been completed. Increases will be authorized only if the employee's rating is 4.00 or higher. The supervisor/manager will forward a merit increase recommendation with the appraisal to the next level of management. Merit increases in pay are neither automatic nor periodic. They are reserved for employees who show skills improvement and higher than average performance. Information about rates of pay and merit increases in pay, if any, are deemed to be confidential matters between the company and each employee and are not to be discussed among employees.

Salary Administration

It is Environmental Management policy to award annual merit increases to employees for their dedication to the growth of the company based on their skills, improvement and outstanding performance. Every employee is eligible for a merit increase. However, merit increases are not automatic. Following the employee's performance review, the manager will rank the employee's performance according to his or her relative level of contribution to the company. Factors will include, without limitation, how well the employee has met the objectives agreed upon in the last review and the employee's level of contribution to the success of the department relative to other employees. Employees will be ranked as based on inspection results in their areas:

1. Unsatisfactory
2. Marginal
3. Good
4. Very Good
5. Outstanding

The manager will forward a merit increase recommendation with the appraisal to the president for final approval. Any merit increase will be retroactive to the date of the performance review. Increases will be authorized only if the employee's rating is 4.00 or higher.

Payroll Deductions

The following mandatory deductions will be made from every employee's gross wages: federal income tax, Social Security FICA tax, Medicare tax and applicable state taxes.

Every employee must fill out and sign a federal withholding allowance certificate, IRS Form W-4, on or before his or her first day on the job. This form must be completed in accordance with federal regulations. The employee may fill out a new W-4 at anytime when his or her circumstances change. Employees who paid no federal income tax for the preceding year and who expect to pay no income tax for the current year may fill out an Exemption from Withholding Certificate, IRS Form W-4E. Employees are expected to comply with the instructions on Form W-4. Questions regarding the propriety of claimed deductions may be referred to the IRS in certain circumstances.

Other optional deductions include the portion of group health insurance not paid by the company, which is deducted from each payroll check. Other voluntary contributions (if applicable), such as pension (401k) plan, are also deducted each pay period.

Every employee will receive an annual Wage and Tax Statement, IRS Form W-2, for the preceding year on or before January 31. Any employee who believes that his or her deductions are incorrect for any pay period, or on Form W-2, should check with the Accounting department immediately.

Other deductions such as, customer charges due to alarm fees, broken items, lost keys, property damage, stolen items, or any other employee reimbursement due to the employee's misconduct or improper use will be deducted from paychecks.

Employee Benefits

Insurance

Environmental Management does not offer all full-time management and IICRC certified employees a group medical insurance plan. Environmental will consider paying a portion of a personal policy that the employee has purchased on their own (limitations apply).

Simple IRA Program – Under Review 9/15/20

The company offers Full-Time management and IICRC Certified employees the opportunity to participate in a Simple IRA retirement plan, administered by UBS Financial Services, Inc.

Eligibility – You will be eligible to enter the plan after you have completed 12 months of employment and are at least 21 years old. You may begin your deferral on the January 1st, April 1st, July 1st, or October 1st following the completion of these eligibility requirements.

Contributions – You can contribute up to 15% percent of your compensation on a pre-tax basis (up to \$4,000.00 for any fiscal year).

In general, there is a core group of 4 funds from which to choose. You can allocate percentages of your contributions among any or all these funds.

Transfer of monies between your fund choices is allowed. Changes in funds or changes in allocation of your percentage of contribution to any or all of your funds are allowed. Please see the fund administrator for details.

Statements: Participant statements will be prepared on a quarterly basis and mailed to your home address.

Rollovers – The Simple IRA Plan will accept qualified rollover distributions from your date of hire.

Loans – Loans are available. The interest rate will be determined at the time of the loan. Please see the administrator for details.

Hardship – Monies, which do not have to be repaid, may be withdrawn from your Simple IRA plan. Fees, penalties, and taxes will be charged to any such withdrawal. See the administrator for details.

Vacation

All full-time management and IICRC Certified employees are entitled to one week paid vacation after one year of service and one additional week paid vacation every year after, with a

maximum of 3 three weeks. Vacation not taken during the calendar year is forfeited.

New management and IICRC Certified employees become eligible to take vacation after they have worked one year. Part-time employees are not entitled to paid vacation. Employees who are not entitled to paid vacation may request permission from their supervisor/manager to take up to one week of unpaid vacation time.

All vacations must be scheduled at least 30 days in advance with the employee's supervisor/manager. Employees are responsible for planning ahead for vacation and working out a complete schedule with their supervisor/manager. Vacation entitlement is administered by the Accounting department.

Upon termination, the employee's accrued, but not taken, vacation hours will not be added to the final paycheck. Any balance of vacation and sick time at the time of termination will be forfeited.

Holidays

Environmental Management provides six (6) paid holidays each year for management and IICRC Certified Technicians. The company is officially closed on these days:

January	New Year's Day
May	Memorial Day
July	Independence Day
September	Labor Day
November	Thanksgiving Day
December	25 th

Only regular full-time management, IICRC certified employees and coverage custodial staff are eligible for full holiday pay. Temporary and part-time employees are not eligible for holiday pay.

If a designated holiday falls within an employee's vacation period, the holiday is not considered a vacation day.

Sick Days

In the event that employee gets sick, Environmental Management provides sick pay earned at 1 hour for every 30 hours worked beginning on your first day of employment. Not to exceed your 7 regular scheduled day hours (e.g., employee is scheduled 2 hours / day – maximum sick time for one year is 14 hours). Sick pay can be used for illness, injury or emergency time off. Sick days taken over 7 days / year is considered excessive.

It is in the best interests of an employee who is ill or injured not to remain at work. It is the supervisor or manager's responsibility to send the employee home if the employee is incapacitated.

Employees are encouraged to make their routine doctor or dentist appointments before arriving for work or after leaving work for the day, if possible. If time off is required for such appointments, arrangements should be made in advance with the employee's supervisor or manager.

An employee is expected to notify his or her supervisor/manager two hours prior to their workday beginning for illness or injury. Exceptions to this include a serious accidental injury or hospitalization, or when it is known in advance that the employee will be absent for a certain period of time.

A medical statement from the employee's doctor may be requested by the company when an employee is absent from work for more than three working days.

Leave of Absence and Military Leave

A leave of absence is time off in a non-pay status. Upon receipt of a formal written request for leave of absence from regular full-time employees, management will determine whether a leave of absence will be granted. (Also see Medical/Family Leave policy.)

The employee is expected to request leave of absence with as much advance notice as possible. Leaves of absence will not be granted for periods less than two weeks in duration. Vacation or sick leave should be used for such absences.

The reason for leave should fall into one of the following categories:

1. Military
2. Personal

The leave classifications are defined as follows:

Military — To protect the employment rights of employees entering the armed forces of the United States and to ensure conformance with the applicable federal laws, a leave of absence must be granted to all employees, except temporary, who enter military service for active duty as a result of the following:

Initial enlistment in the armed services of the United States;

Initial training period in the National Guard;

Being ordered to active military service as a member of the Reserves or National Guard for an indefinite period or for a periodic training period up to ten working days; and

Any service requirements under the Selective Service Act.

Personal — Except for those situations covered under the Medical/Family Leave policy, personal leaves may be granted to employees having special nonmedical personal needs for an extended period of absence. Each case will be evaluated on its own merits, and the following will be taken into consideration:

1. The reason for the request;

2. The amount of time required; and
3. The employee's length of service and past record.

Normally personal leaves are granted for periods of up to 90 days.

Return to Work

See Medical/Family Leave policy paragraph 3.5 and paragraph 6 for details on reporting during leave and return from leave. Exceptions to this policy are for those employees who are granted military leave of absence. They are entitled to full re-employment rights subject to the governing federal and state laws.

Employees who do not return to work after any leave of absence will be terminated effective on the last day of work or paid leave, whichever is later.

Benefits during Approved Leave of Absence

Holidays — To be paid for a holiday, an employee must be an IICRC Certified Technician, coverage custodian or Full Time Manager and be in active pay status the day before and the day after the holiday. Employees are not eligible to receive pay for any holiday during the leave period.

Vacation — No vacation hours are earned during the leave period. Employees requesting a leave of absence for medical or military reasons may choose to use all earned vacation before beginning leave of absence. Employees requesting personal leave of absence must use all earned vacation before beginning leave of absence.

Sick or Personal — No sick or personal hours are accumulated during the leave period.

Insurance — Not Applicable

Profit-Sharing (Not available at this time)— An otherwise eligible employee will be entitled to profit sharing while on leave of absence in accordance with the rules of the profit-sharing plan and related policy. If the leave began before eligibility was established, eligibility will be postponed until the employee returns to work.

Medical/Family Leave

Environmental Management understands that its employees on occasion will have the need to take an extended period of time away from work to care for their child after birth or adoption or foster care placement, to care for their spouse, child or parent with a serious health condition, or because of a serious health condition of their own. In recognition of this need, the Company has voluntarily adopted the following **Medical and Family Leave Policy** as a benefit of employment.

- 1. Eligibility Requirements.** To qualify for leave under this policy, you must have been employed by Environmental Management for at least 12 months and you must have worked 1250 or more hours in the previous 12 months.

1.1 Up to 12 weeks of unpaid medical and family leave is allowed under the conditions described in paragraph 4.

2. Reasons for Leave. Leave under this policy may be taken:

- 2.1 to care for your child after birth or adoption or after state placement of a child with you for foster care;
- 2.2 to care for your spouse, child or parent who has a serious health condition; or
- 2.3 for a serious health condition that makes you unable to perform the essential functions of your job.

3. Procedures

3.1 **Notice.** You must provide Environmental Management with thirty days' notice if the absence is foreseeable. If the leave of absence is not reasonably foreseeable you must notify Environmental Management as soon as practicable. Any failure to give a timely notice may cause your leave to be delayed.

3.2 **Request.** To request family/medical leave, you should obtain, complete, and sign a Medical/Family Leave Request Form ("Request Form") and submit it to Personnel or your supervisor.

3.3 **Doctor's Certification.** If the reason for the leave request involves a serious health condition (either yours or your family member's), you must also obtain and submit a completed and signed Certification of Health Care Provider ("Certification Form") within 15 days of submitting the Request Form.

3.3.1 **Second Opinion.** Should Environmental Management disagree with the opinion given by your health care provider; Environmental Management reserves its right to require opinions from second or third health care providers at the company's expense.

3.3.2 **Third Opinion.** If the two doctors disagree about your condition, a third health care provider, agreed upon by you and the company, will render a binding decision.

3.4 **Notice of Designation.** After receiving the completed forms, Personnel will designate the leave as either Medical/Family Leave or non-Medical/Family Leave, and provide you with a Notice of Medical/Family Leave Rights and Responsibilities ("Medical/Family Leave Notice") reflecting that designation.

3.5 **Reporting During Leave.** You will be required to furnish Environmental Management reports on your status, intent to return and recertification of the serious health condition every 30 days.

4. Substitution of Other Kinds of Leave. Environmental Management requires that you use all available paid leave time, such as sick leave, vacation or personal time before your twelve weeks on unpaid Medical/Family leave takes effect.

5. Benefits during Leave

5.1 Health Insurance. Environmental Management will not maintain any health insurance coverage that you have at the time of your Medical/Family Leave for the duration of the leave. You will be required to pay your normal health insurance premium during Medical/Family Leave.

5.2 Accrual of Other Benefits. You will not accrue sick leave or annual leave while on Medical or Family leave. In addition, all other benefits provided by Environmental Management may cease during the leave. You will be reinstated to your current position or to an equivalent position as described in paragraph 6.3 without any need for re-qualification upon your return.

6. Return from Leave

6.1 Failure to Return. When Medical/Family Leave expires, your failure to return to work will be grounds for immediate termination unless a written extension is obtained from your supervisor.

6.2 Fitness for Duty Certificate. Where your leave was taken because of your own illness or injury, you must provide a fitness-for-duty certification from a health care provider before your return. A failure to do so may cause a delay or denial in your reinstatement.

6.3 Reinstatement. Upon your return, you will be entitled to reinstatement to your current position or to an equivalent position with the same pay and benefits, subject to the Company's business needs.

6.3.1 Exception. If you are a salaried exempt employee paid in the top 10 percent of Environmental Management employees within 75 miles of your facility you may forfeit your right to reinstatement under certain conditions. You will be informed of this possibility when notice is given or as soon thereafter as practical under the circumstances.

7. False Claims. An employee who fraudulently obtains Medical/Family Leave from Environmental Management is not protected by this policy's restoration or maintenance of health benefits provisions and will be subject to appropriate disciplinary action including discharge.

Bereavement Leave

The company will pay for time off in the event of death of the following immediate family members:

Spouse	Grandchild	Sister
Parent	Grandparent	Father-in-law
Child or Stepchild	Brother	Mother-in-law

The employee and supervisor/manager will determine the amount of time the employee will be absent from work. The maximum paid leave is 2 two days in addition to all other paid leave.

Leave for attendance at the funeral of a non-immediate family member or person with an especially close relationship may be granted with or without pay. Typically, paid leave is reserved for the death of immediate family members. The employee's supervisor will make determination after consultation with upper management.

Jury Duty

Environmental Management will grant employees time off for mandatory jury duty or court appearances as a witness when the employee must serve or is required to appear as a result of a court order or subpoena. A copy of the court order or subpoena must be supplied to the employee's supervisor/manager when requesting time off. This is not a paid benefit.

Voting

Environmental Management encourages all employees to vote. Employees are encouraged to use flextime hours for this purpose or to take advantage of polling hours prior to the beginning or following the end of your workday.

If this cannot be arranged, your supervisor/manager will approve time off to vote either at the beginning or end of your workday, provided that you give at least one day's notice to your supervisor/manager.

Employee-Incurred Expenses and Reimbursement

Environmental Management will pay all actual and reasonable business-related expenses incurred by employees in the performance of their job responsibilities. All items purchased or charged by the employee are to be itemized on the approved company expense report. His or her manager must approve all such expenses incurred by an employee before the accounting department will make payment.

Expense reports are to be submitted to the Accounting department and supported by evidence of proof of purchase, e.g., receipts. Expense reports are due in the Accounting department prior

to the last working day of each month.

Expenses submitted after the last working day of the month in which they are incurred will be paid on a deferred basis.

Travel Reimbursement

This policy establishes the general guidelines and procedures to be followed when business travel is required: Janitor travel expense is included in the building budget.

1. Travel-related expenses are to be detailed on the company travel reimbursement form;
2. Employees who prefer to use their personal vehicles for their convenience on company business will be reimbursed at the standard mileage rate \$0.28 per mile, assuming that the time and distance involved is reasonable under the circumstances;
3. All parking expenses and highway tolls incurred as a result of business travel will be reimbursed;
4. All air travel must be approved in advance by the employee's supervisor/manager. All personnel will travel economy class unless extenuating circumstances require business or first-class travel. The duplicate airline ticket receipt should be attached to the company reimbursement form;
5. The company insures employees who fly when traveling on company business with a travel accident rider to our regular group insurance policy. Purchase of additional air travel insurance is not a reimbursable expense;
6. Employees should request advance approval for use of a rental car at their destination. If a rental car is used, additional insurance should not be purchased because of our existing insurance coverage. A copy of the rental car agreement form must accompany the travel reimbursement form;
7. Employees should select moderately priced lodging convenient to their destination to minimize time and expense. A detailed receipt from the hotel or motel must accompany the reimbursement form unless such is unavailable, in which case a credit card receipt is acceptable;
8. Employees must submit receipts for meals or accept the allowable per diem rates with the reimbursement form. Reasonable tips, when paid by the employee and noted on the receipt, will be reimbursed; Maximum allowed per day is \$20.00.
9. Travel reimbursement requests are due in the accounting department prior to the last working day of the month in which expenses are incurred.
10. Use of a company credit card must be authorized prior to use or the employee may be responsible for all charges.

Use of Rental Car on Company Business

Employees required to travel because of their job responsibilities may rent a car upon receiving the approval of their supervisor/manager.

An economy or compact size car will be the employee's first choice in obtaining a rental car. Environmental Management is insured for damage to rental cars used on company business. Any additional insurance charges offered as an option by the rental company are not

reimbursable.

A copy of the rental car agreement must accompany the employee's monthly travel expense report.

Conferences and Meetings

Employees may request time off or company financial support or both to attend conferences or meetings sponsored by institutions or professional organizations. The subject matter to be presented must relate directly to the employee's position or provide beneficial information to be shared in the employee's department.

The employee's supervisor/manager and the COO must approve the employee's participation in the conference or meeting.

The company will pay for the following expenses if attendance is approved: registration fees, travel costs, lodging and meal expenses not covered by registration.

Time off for attendance and travel during normal working hours will be paid at the normal rate of pay.

Relocation of Current or New Employees

Environmental Management shall not provide reimbursement for moving expenses incurred by any new or current employee without prior written approval by the COO.

Temporary Assignment Allowance

Environmental Management will provide specified reimbursement for travel, reasonable accommodations, and other miscellaneous expenses to employees who are requested to take a business assignment that is beyond reasonable commuting distance and more than three but less than twelve months in duration.

Approval of temporary assignment allowances must be requested in advance and require the approval of the employee's supervisor/manager and the COO. An expense allowance budget, prepared jointly by employee and supervisor/manager, will accompany the request.

Reimbursable expenses include the following when circumstances require them:

1. Coach class air travel for the employee;
2. Shipment of the necessary personal or household goods;
3. Home maintenance costs;
4. Housing expense at the new location, including full rent and utilities;
5. Leased car;
6. One 3-day trip to locate a temporary residence;

7. One round-trip, coach class, air fare every 3 weeks to visit immediate family at the employee's permanent residence or for a spouse or friend to visit the employee. If the employee chooses to travel using his or her personal vehicle, mileage will be reimbursed at the company's current rate;
8. Personal vehicle mileage will also be reimbursed for all trips between the employee's temporary residence and temporary work assignment in lieu of leased car.

All reimbursable or charged expenses should be submitted monthly on a company expense report to the Accounting department for processing and payment. Reimbursement will be made (Monday's) for all items listed in the approved expense allowance budget.

Required Management Approval

All employee travel, mileage, purchase requisitions and other business-related expense reports must have a supervisor's/manager's approval. Employees are required to request approval in advance of expenditures whenever possible to ensure no delay in company reimbursement. All expense reports are due in the Accounting department prior to the final working day of each month. Prior to being honored by the Accounting department, these reports must have the employee's signature and date and must be approved by the employee's supervisor/manager.

Spending Authority Matrix

	Up to \$100	Up to \$200
General Manager		X
Area Manager	X	

Note: Limit does not apply to purchasing manager when approved P.O.s are supported by approved purchase requisitions.

Miscellaneous Policies

Confidentiality of Company Information

It is the responsibility of all Environmental Management employees to safeguard sensitive company information. All employees sign nondisclosure agreements upon accepting employment with the company. In cases of conflict, these agreements supersede the Policy Manual guidelines that follow.

The nature of our business and the economic well-being of our company are dependent upon protecting and maintaining proprietary company information. Continued employment with the company is contingent upon compliance with this policy. Each company supervisor/manager bears the responsibility for the orientation and training of his or her employees to ensure enforcement of company confidentiality. Sensitive company information is defined as trade secrets or confidential information relating to products, processes, know-how, customers, designs, drawings, formulas, test data, marketing data, accounting, pricing or salary information, business plans and strategies, negotiations and contracts, inventions and discoveries.

All such information shall be appropriately marked or verbally identified to each employee. When such information is transferred from one employee to another, the transferor must do all of the following:

1. Determine that the transfer is necessary and in the interest of regular company business;
2. Determine that the transferee has a need to know the information and has the necessary clearance;
3. Ensure that all cover sheets or markings which identify the information as proprietary, or classified, are conspicuous;
4. Give the information directly to the transferee and verbally identify the proprietary or classified information as such. Do not give it to a noncleared employee, such as a secretary or office colleague, and do not leave it on the transferee's desk unattended.

In consideration of their employment with Environmental Management, employees will be exposed to information and materials which are confidential and proprietary and of vital importance to the economic well-being of the company. Employees will not at any time disclose or use, either during or subsequent to their employment, any information, knowledge or data which they receive or develop during their employment which is considered proprietary by Environmental Management or which relates to the trade secrets of the company. Such information, knowledge or data includes the following which is by example only: processes, know-how, designs, drawings, diagrams, formulas, test data, accounting or financial data, pricing or salary data, marketing data, business plans and strategies, negotiations and contracts, research, customer or vendor lists, inventions and discoveries.

Upon termination of their employment with Environmental Management they must promptly return any and all documents containing the above information, knowledge or data, or anything relating thereto, to the company.

Confidentiality of Company Information — E-Mail

Company computers and e-mail system are company property.

All employees are expected to use good judgment in using electronic mail and to avoid indiscretions such as offensive or inappropriate messages or any other message, Company deems inappropriate. E-mail messages should be used for business and not for soliciting outside business ventures or other matters unrelated to the company's affairs. Misuse of e-mail may result in disciplinary action up to and including termination.

Software Usage Policy

Purpose

To reduce the legal exposure to the company of unlicensed software and reduce the effort required to operate and troubleshoot employee's machines, this policy has been established to restrict the installation of unauthorized software.

Scope

This policy covers all desktop and laptop computers owned or operated by Environmental Management and covers operating systems, 3rd party software, freeware and shareware applications and utilities. This policy does not govern servers. Servers will be under IT support.

Policy

The following list of operating systems and applications are authorized for use by Environmental Management. For information regarding the specific release of software, please contact IT or your local administrator.

Operating Systems:

- Windows 10
- UNIX and Linux operating systems will be made available for application design and deployment will only be permitted with the direct approval of the Director of IT.
- Work Wave Operating System
- Quickbooks Online
- Service CEO

Intel Based Software Applications

The following list of software applications are authorized for use by Environmental Management employees on Intel-based desktop and laptop systems.

Base Software:

All systems will have the following basic software installed:

- Norton or Trend Micro Anti-Virus Corporate Software
- Terminal Services Client
- Virtual Control Software
- Internet Explorer

- Work Wave
- Adobe Acrobat (where required)
- Service CEO
- Quickbooks Pro & Quickbooks Online

Standard Office Productivity Software:

All systems will have the following basic software installed or will be connected to a Terminal Server running this software:

- Microsoft Outlook, Word, MSN Messenger and Excel.
- Powerpoint and Access will be given to those who require them

Software Not Permitted Without Permission

Due to network implications and security issues, the following software will not be allowed on any computer unless approved by IT.

This list does not contain all the possible software applications that cannot be installed. If any software has been loaded onto your machine that does not belong on the computer please request it be removed by the IT team. If software is found on your computer that does not belong, it will be removed and you will be held responsible. If you are not sure, contact your local administrator or IT.

- Yahoo Messenger and ICQ
- Stock Tickers and Streaming Radio
- Any additional screen savers (Web Shots etc.)
- Any additional desktop patterns
- Distributed file sharing utilities (KaZaA, Morpheus etc.)
- Network sniffing or protocol analysis programs
- Password "cracking/decryption" tools
- Terminal emulation or Xwindow clients

UNIX and Linux Applications

Contact IT for information on these applications.

Enforcement

Any employee found in violation of this policy may be subject to disciplinary action.

Inventions and Patents

All inventions conceived or developed by any employee of Environmental Management during the term of his or her employment shall remain the sole property of the company. Environmental Management shall be free to use any such discoveries, inventions or ideas without obligation of any sort to the employee. If patents or other intangible rights should result therefrom, the employee agrees that all such rights shall be the sole property of Environmental Management. The employee will cooperate fully in signing documents to transfer and perfect full rights, title, and interest to and for Environmental Management. This policy only applies to discoveries, inventions, and improvements conceived or developed during employee's

working hours or at any time while the employee is using the company's facilities, equipment, supplies or trade secret information or data.

Conflict of Interest

No employee of Environmental Management shall engage in the same or a similar line of business or research as that carried on by the company. An employee shall not have a financial interest in a company which is a competitor of or supplier to the company.

Financial interests held by an employee or by his or her immediate family members in such companies are to be disclosed immediately to the company so that a determination can be made as to whether a conflict exists. Members of the employee's immediate family include spouse, children, and any other relative sharing the same home as the employee. Violation of this policy will result in immediate dismissal.

Gratuities to Government Employees or Officials

In adherence to government regulations, no employee may offer a gratuity to any government employee or official on behalf of, or in pursuance of, Environmental Management business. Gratuities are defined as meals, drinks, gifts, expenses, cash or any other item of value, including personal service.

Environmental Management strictly forbids any form of a business gift to federal, state, or municipal employees. Management is charged with the responsibility of informing all employees of this policy and maintaining adherence to it.

Violation of this policy will be treated as a major violation and, depending on the circumstances, may be grounds for immediate termination or other appropriate action.

Gratuities to Customer or Supplier Representatives

Employees of Environmental Management may not offer to give or accept a gift, cash or other item of value — including personal service — from an existing or prospective customer, supplier or a representative of either in pursuance of business or in conjunction with negotiating business on behalf of this company.

Tips to Environmental Management employees are acceptable after completion of work if reported to Environmental Management officers.

Expenses for meals as part of a seminar, convention or business meeting are not within the definition of gratuities for purposes of this policy. Invitations extended by a customer or supplier to participate in any program or activity, such as a party or football game, should be referred to your supervisor/manager for approval on a case-by-case basis.

Violation of this policy in any form will require immediate disciplinary action.

Political Activities

In recognition of its responsibilities as a business citizen, Environmental Management encourages its employees to accept the personal responsibility of good citizenship, including participation in civic and political activities, in accordance with their interests and abilities.

Environmental Management accepts without reservation the basic Republican principle that all employees are free to make their own individual decisions in civic and political matters. Therefore, no employee's status with the company will be affected, in any way whatsoever, because of participation or nonparticipation in lawful civic and political activities.

Participation in civic and political activities is considered to be a personal matter and, as such, is generally to be carried on outside of normal working hours. No political activities or solicitations will be carried on within company premises.

Political activities are defined for purposes of this policy as activities in support of any partisan political issue or activities in support of, or in concert with, any individual candidate for political office, or of a political party, which seek to influence the election of candidates to federal, state, or local offices. The definition includes employees who are or may be candidates for political office.

Employee Privacy

Environmental Management recognizes our employees' rights to privacy. In achieving this goal, the company adopts these basic principles:

1. The collection of employee information will be limited to that which the company needs for business and legal purposes (Office Personnel Only);
2. The confidentiality of all personal information in our records will be protected;
3. All in-house employees involved in record keeping will be required to adhere to these policies and practices. Violations of this policy will result in disciplinary action;
4. Internal access to employee records will be limited to those employees having an authorized, business-related, need-to-know basis. Access may also be given to third parties, including government agencies, pursuant to court order or subpoena;
5. The company will refuse to release personal information to outside sources without the employee's written approval, unless legally required to do so;
6. Employees are permitted to see the personal information maintained about them in the company records. They may correct inaccurate factual information or submit written comments in disagreement with any material contained in their company records.

Telephone

Personal calls of short duration may be received and made at your desk or workstation. Personal telephone call privileges are subject to change or termination at any time. For instance, if the company telephone lines become overloaded with calls or an employee is found spending more than just limited time on personal calls, this privilege will be revoked either generally or specifically as to the offending employee. Personal cell phones may be used if its use does not conflict with company business. Cell phones cannot be used in any way while driving company vehicles.

Dress Code

Employee dress should be neat in appearance. Environmental Management employees are invited to dress "business casual" in a manner consistent with a professional atmosphere. The impression made on customers, visitors and other employees and the need to promote company and employee safety should be kept in mind.

- Environmental Management logo shirts, name badges
- Navy Blue or Black pants for Winter
- Navy Blue or Black shorts for Summer
- No Levi's
- Submit receipts for pants or shorts to the office for reimbursement

Kitchen/Break Room

Environmental Management provides a kitchen/break area for the benefit of its employees. Employees shall be responsible to keep the area clean, including the washing of personal dishes and utensils.

All trash should be disposed of in the trash container. Any empty aluminum cans or glass bottles shall be disposed of in the trash container.

Visitors

The safety regulations for visitors should be established in accordance with the building safety regulations.

Law enforcement or government officials, including health or fire inspectors, shall be directed immediately to Dallas Caldwell who shall determine proper governmental authority, review court orders or subpoenas, and assist the law enforcement or government officials in a manner which provides full cooperation with minimal disruption to company operations.

No visitors are allowed in job site buildings at any time.

Outside Employment

Employees are expected to be working solely for Environmental Management. Any outside employment should be promptly disclosed to COO. In certain circumstances, outside employment will be approved, but the company retains the right to review and evaluate each situation on an individual basis.

Emergency Closings

Except for regularly scheduled holidays, Environmental Management will be open for business on Mondays through Fridays during normal business hours. The company recognizes that

circumstances beyond its control, such as inclement weather, national crisis or other emergencies do occur. On such occasions the company may close for all or part of a regularly scheduled workday.

In such event the company will endeavor to notify all supervisory personnel for the purpose of contacting employees. Employees may also contact their supervisor/manager or company offices. Any closing longer than one full work shift shall be assessed against employee's sick leave or vacation time, whichever may be applicable and, if none, the closing shall be regarded as unpaid personal leave.

Mail and Shipping

From time to time, employees shall be permitted to utilize the company's shipping department to arrange for the shipment of personal goods. Any personal use is subject, of course, to the availability of shipping department personnel and to the priority of business-related shipments. Any costs associated with personal shipments shall be charged back to the employee and shall be promptly reimbursed by the employee to the company.