



# **EDGE SYSTEMS, L.L.C.**

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*Human Resources*

# Policy Manual

**EDGE SYSTEMS, LLC**

# Policy Manual

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## **WELCOME TO EDGE SYSTEMS, L.L.C.**

We're glad to have you with us. We consider you an important member of the team and we want you to enjoy working here.

The Edge Systems Policy Manual is intended to provide employees with information on Edge Systems' employment policies and various business procedures. While it is not possible to put everything in writing, we anticipate that this manual will provide you with general information concerning your employment and Edge Systems' general business practices. This manual is not an employee contract nor is it intended to be used as a contract. The policies and procedures described in this manual are meant as broad internal guidelines, which Edge Systems may change or update from time to time.

While we urge you to consult the manual whenever you have a question, if you do not find the answer here, please contact the Human Resource Manager.

We are pleased to have you on the team!

A handwritten signature in black ink that reads "S B Bishop". The signature is written in a cursive, flowing style.

Sam B. Bishop  
President & Chief Executive Officer

Section

1

## General Employment Policies

Edge Systems greatly appreciates the talent and dedication of its employees. We are dedicated to treating our employees with dignity and respect. We hope to provide a pleasant working environment with a well-trained knowledgeable management team to assist and maintain the success of our operation.

### Fair Employment Practices

Edge Systems, L.L.C. is an equal opportunity employer. Equal employment has and continues to be both policy and practice at the company. Our policy of equal employment opportunity is to recruit, hire, train, promote, and base all other employment decisions without regard to race, color, religion, national origin, sex, age, disability or any other protected status.

It is also the company's policy that any form of harassment on the basis of race, color, religion, national origin, sex, age, or disability will not be tolerated in the workplace. Included within this prohibition is any form of sexual harassment whether it involves verbal or physical conduct or otherwise interferes with an individual's work or the working environment.

Any incidents of discrimination or harassment should be reported, in confidence, to your supervisor so that an investigation can be conducted. If that would prove to be uncomfortable, any employee may contact the Human Resource Manager or any other member of management. Every effort will be made to promptly investigate any allegations of discrimination and/or harassment in as confidential a manner as possible and take appropriate corrective action if warranted.

Any employee who is determined, after an investigation, to have engaged in discrimination and/or harassment in violation of this policy will be subjected to disciplinary action, up to and including discharge.

## Edge Systems' Policy Against Harassment

### 1. Sexual Harassment

In keeping with its commitment to equal employment opportunity and with its policy that all employees should work in a productive environment free of unlawful discrimination, Edge Systems will not tolerate any form of sexual harassment. In particular, Edge Systems prohibits harassment of employees, applicants, service providers or guests by executives, managers and employees at any level. Harassment of employees, service providers or applicants by outsiders, including clients, customers, suppliers and their employees, who may have business with Edge Systems, is also prohibited.

Under applicable law, prohibited sexual harassment is defined as *unwelcomed* sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or of creating an intimidating, hostile or offensive work environment.

Prohibited sexual harassment includes, but is not limited to:

- verbal harassment (lewd or suggestive remarks; off-color language; pranks; epithets; derogatory statements; jokes; threats; slurs; demands for dates);
- physical harassment (touching; pinching; assault; physical interference with normal work or movement);
- visual harassment (posters; cartoons; gross or lewd gestures; calendars; pictures; drawings; greeting cards; leering); or
- sexual innuendo and demands for sexual favors (unwelcome sexual

statements or advances).

It refers not only to *physical* conduct, but also to *verbal* requests, demands, discussions or comments, whether they are face-to-face, in writing, on the telephone, by electronic mail or via the Internet, or by some indirect communication. Sexual harassment may involve individuals of the same or different gender and is prohibited whether directed toward men or women and regardless of whether the targeted individual accepts or rejects the advances or other offending behavior.

## **2. Discipline**

Edge Systems considers harassment of any sort, including harassment of outsiders by our employees, to be a significant breach of policy. We will take immediate and appropriate corrective action, up to and including termination of employment, against anyone who engages in sexual harassment.

## **3. Complaint Procedure**

If any employee believes that he or she is being sexually harassed, or has witnessed such conduct, that employee immediately should discuss the matter in the first instance with one of the following persons: the General Manager of your office; the Manager of Human Resources (telephone 630-810-9669) or her designees in your office; or the Chief Executive Officer (telephone 630-810-9669) of Edge Systems. If this is not possible under the circumstances, the employee should report such conduct to another senior manager or executive of Edge Systems, but should also follow up with one of the above-designated persons as soon as possible thereafter. If an employee believes that any person to whom such a report would be directed is involved in or associated in any way with the alleged conduct, the report should be directed to another senior manager who is not involved, with a request that the manager arrange for an impartial investigation of the complaint to be conducted.

Employees are required to report *immediately* any instance of harassment. This will enable Edge Systems to investigate and resolve any problem promptly and effectively.

Investigations of workplace harassment will be treated with confidentiality appropriate under the circumstances, in light of the personal nature of

these matters and the important privacy interests of all concerned. Edge Systems will not permit anyone who objects to harassment, makes a complaint or assists in any investigation to be subjected to coercion, intimidation, interference or retaliation.

#### **4. Consensual Relationships**

Consensual dating, romantic and sexual relationships or other consensual relationships, such as fraternization outside the workplace, between those in senior or supervisory positions and less-senior or non-supervisory employees, or between co-workers, may lead to unforeseen complications. The respect and trust accorded a more senior or supervisory person by a lower-level or non-supervisory employee as well as the power held by that person in evaluating or otherwise supervising the lower-level person, could diminish the extent to which the lower-level employee really feels free to choose. If not handled discreetly, co-worker relationships, whether with peers or those at different levels, may also lead to unforeseen complications such as those arising from workplace gossip or hard feelings that sometimes develop after a consensual relationship ends or if fraternization should lead an employee to act indiscreetly towards another. With this in mind, if anyone perceives a situation of this type that may create potential workplace problems, he or she should discuss it with any of those persons identified in the Complaint Procedure above.

#### **5. Other Unlawful Conduct**

Edge Systems' policy equally prohibits harassment involving all other protected categories of individuals under federal, state or local law (for example, harassment on the basis of race, color, religion, national origin, sexual orientation, age, marital status and/or disability). Edge Systems fully complies with all government requirements for all protected groups. Any employee found to have engaged in the unlawful harassment of or other unlawful discrimination against any member of a protected group will be subject to prompt and appropriate corrective action, up to and including termination of employment.

## Types of Employment

### **Full-Time Employee**

A full-time employee is defined as one who is scheduled to work the general work week hours or more, as described later, on a regular and continuing basis.

### **Part-Time Employee**

A part-time employee is defined as one who is scheduled to work less than the general work week, as described later, on a regular and continuing basis. Part-time employees are not eligible for full company benefits.

### **Temporary Employee**

A temporary employee is defined as one who is hired for an express purpose and for a limited amount of time. Temporary employees are not eligible for company benefits.

## Work Week and Work Schedule

The general work week is forty hours. However, the company reserves the right to modify the hours of work to meet the fluctuating demands of business.

## New Employees

The first ninety (90) days of employment are considered to be a probationary period. During this time, you will have a chance to determine your satisfaction with Edge Systems and your job. At the same time, your supervisor will evaluate your work and attitude to determine if you are in the right job and able to meet the job requirements. In appropriate circumstances, the probationary period may be shortened or extended at the sole discretion of

company management.

## “At Will” Employment

It is contrary to company policy to have employment for any specified duration for any Edge employee. As a consequence, all employment is viewed as terminable at will at the option of either Edge Systems or the employee.

## Recording Hours Worked

Due to federal regulations as they relate to Edge government contracts, all Edge employees are required to submit weekly time and activity reports.

Time and Activity reports are to be filled out completely and turned in to your manager by the close of business on the Monday following the week in which the work was performed.

Altering or falsifying of time sheets is prohibited and could result in termination.

## Performance Review and Salary Merit Increases

Edge Systems, L.L.C. has adopted a management by objectives approach to performance appraisal. Each employee is given the opportunity to set individual written goals. He or she will be evaluated based on how well these goals have been met. Three months after an employee joins the company, the supervisor and employee will meet to establish employment goals consistent with the business objectives of the company and the employee's department. The first performance review will occur near the end of the next three months, preferably on a date agreed to in writing. All future employee performance reviews will be scheduled near or on the employee's anniversary date.

It is the supervisor's responsibility to develop and maintain a work environment in which employees can openly discuss performance and develop plans. Also included in the notification will be the time, place, and the discussion topics for the employee to prepare for the review. The em-

ployee, as well as the supervisor, 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 in to improve performance;
- A recommendation of job responsibilities and goals to be established for the next review period; and
- A summary of overall employment performance

The supervisor 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 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 performance appraisal is then submitted for review by the next level of management.

Edge Systems, L.L.C. believes that pay increases should be related to an employee's performance. Following performance reviews, the supervisor 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, whether it be the initial meeting or the subsequent review, and the employee's level of contribution to the success of the department/division.

The supervisor will make a decision relating to the employee's merit increase in pay, after the review has been completed. The supervisor will forward a merit increase recommendation with the appraisal to the next level of management. Merit increases in pay are not automatic. They are reserved for employees who show skills improvement and higher than average performance.

***Sample Performance Evaluation and Salary Increase Recommendation Forms are included in the Appendix.***

## Corrective Counseling and Performance Improvement

Corrective counseling may be initiated when company management believes that an employee's performance problem can and will 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 interest. The company expressly reserves the right to discharge "at will". Even if corrective counseling is implemented, it may be terminated at the discretion of management. Management, in its sole discretion, may warn, reassign, suspend, or discharge any employee "at will", at any time.

- It is essential that all disciplinary action be adequately and appropriately supported by written documentation to protect both the rights of the company and the rights of the employee.
- The supervisor/manager, with assistance of the personnel department, will determine the course of action best suited to the circumstances. The steps in corrective counseling and performance improvement are as follows:

*The supervisor/manager may skip one or more of these steps under appropriate circumstances with concurrence of the personnel department.*

**Verbal counseling** - As the first step in correcting unacceptable performance or behavior, the supervisor should review pertinent job requirements

with the employee to ensure his or her understanding of them. The supervisor should consider the severity of the problem, the employee's previous performance appraisals and all of the circumstances surrounding the particular case. If the problem continues, the manager should define the problem in more specific terms and work with the employee to identify the requirements for performance improvement or changes of conduct to serve as a solution to the problem. Stating that a written warning, probation, or possible termination could result if the problem is not resolved should indicate the seriousness of the unacceptable 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. Immediately after the second step in verbal counseling, the supervisor/manager should document the verbal counseling for future reference.

**Written counseling** – If the unacceptable performance or behavior continues, the next step is a written warning. Also 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 and/or termination may result if improvement is not observed. Written counseling becomes part of the employee's personnel file, although the supervisor 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, and/or the circumstances warrant it, 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.

A Vice President or higher level officer of the company and the employee's supervisor, 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. The supervisor must prepare a written probationary notice to the employee. 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 required for an 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 or demotion.

The supervisor/manager should personally meet with the employee to discuss the probationary letter and to answer any questions. The employee should acknowledge receipt by signing the letter. If the employee should refuse to sign, the supervisor 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 subject to a later decision by the personnel manager to remove it.

On the defined probation counseling date or dates, the employee and supervisor 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 and the personnel director.

At the completion of the probationary period, the personnel director, or his or her representative, and the supervisor will meet to 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.

**Suspension** - A two or three day suspension may be justified when circumstances reasonably require an investigation of a serious incident in which the employee was allegedly involved. A suspension may also be warranted when employee safety, welfare, or morale may be adversely affected if a suspension is not imposed. In addition, and with prior approval of a Vice President or higher level officer of the company, suspension without pay for up to three consecutive working days may be imposed for such proven misconduct as intentional violation of safety rules, drugs, fighting, or drinking on the job. These examples do not limit management's use of suspension with or without pay in other appropriate circumstances, such as the need to investigate a serious incident. In implementing a suspension, a written counseling report should set forth the circumstances justifying the suspension. Such a report may become part of the employee's personnel file.

**Involuntary Termination** - The involuntary termination notice is prepared by the supervisor with concurrence of, and review by, the President of the company. The employee is notified of the termination by the supervisor and will be directed to report to the Human Resource Manager for debriefing and completion of termination documentation.

## Drugs and Alcohol

The Company is strongly committed to maintaining a safe and healthy working environment for all its employees with the expectation that all employees will discharge their duties at an acceptable performance level and be unimpaired by drug and alcohol use. The use of alcohol and/or drugs can undermine employee productivity, the quality of Company products and the Company image. Additionally, many of our contracts with the Federal Government mandate the creation and implementation of an anti-drug and alcohol policy. For these reasons the Company has implemented the following policy.

**On-the-job Use, Possession, Sale, Distribution or Manufacture** The use, possession, sale, distribution or manufacturing of non-medically prescribed controlled substances or of alcohol by anyone while on Company

business or on company property is prohibited. Further, employees are prohibited from being at work under the influence of drugs or alcohol. Violation of this policy by an employee while on Company premises or on Company business will result in disciplinary action up to and including discharge.

Depending on the circumstances, other action, including notification of appropriate law enforcement agencies, may be taken with respect to a violation of this policy.

Any illegal substances found in the workplace will be confiscated and turned over to the appropriate law enforcement agency.

**Alcohol and Drug Tests** - Any employee who is involved in a serious on-the-job accident, and any employee whose on-the-job behavior indicate that he or she may be under the influence of drugs or alcohol in violation of this policy will be tested for the use of drugs and alcohol. If the tests indicate evidence of illegal drugs or the improper use of other drugs or that the employee is under the influence of alcohol, appropriate action will be taken as provided in this policy.

The Company requires a consent form to be signed by the individual prior to testing. Any employee who refuses to sign or submit to testing will be questioned as to the reason(s) for refusal. Unless there is a valid reason for refusal, the employee will be subject to disciplinary action up to and including discharge.

A qualified laboratory will conduct drug tests and proper chain of custody procedures will be observed for samples. When employment status will be affected, confirmatory testing will be carried out.

Records and information about testing and test results will be treated as private and confidential.

**Employee Assistance Program** - The Company encourages any employee with a drug or alcohol problem to contact his or her supervisors for assistance. The Company is eager to help employees and will, at the employee's request, refer him or her to an appropriate agency or clinic for professional assistance. All communications will be strictly confidential. Employees will not be subject to discipline for voluntarily acknowledging a drug or alcohol

problem. However, satisfactory job performance is mandatory and violations of the Alcohol and Drug Policy will result in disciplinary action including discharge.

**Medication** - Any employee taking a drug or other medication, whether or not prescribed by a physician for a medical condition that could affect performance should report this treatment to their supervisor. This information is important to the Company in ensuring that safety and efficiency are maintained.

## Conflict of Interest

No employee of Edge Systems, L.L.C. shall maintain an outside business or financial interest, or engage in any outside business or financial activity, which conflicts with the interests of Edge Systems, L.L.C. or which interferes with his/her ability to fully perform job responsibilities. For example, and not by limitation, if your job responsibilities include purchasing, or you are in a position to influence such purchases, you should have no proprietary or financial interest in any business that furnishes products, materials, or services to Edge Systems, L.L.C. or in any related transaction. Nor may you benefit directly or indirectly from a third party, who furnishes products, materials, or services to Edge Systems, L.L.C.

## Outside Employment

Edge Systems, L.L.C. believes in and expects integrity in its workforce. The company pays fair and competitive salaries and expects employment loyalty in return. It is against Company policy for any member of staff to hold a job with another company or to work as a consultant or on contract in any industry that uses the same technology as ours, whether it is competitive with our business or not.

Naturally, there may be exclusions in special cases, but each case must be reviewed and approved by the officers of the Company. An employee who does not provide disclosure about other employment is subject to disciplinary action, which may include termination. If you are in doubt about other employment you may hold or are considering holding, speak with your immediate supervisor.

## Gratuities

### **Gratuities to Government Employees or Officials**

Any form of business gift to federal, state or municipal employees is strictly forbidden by Edge Systems, L.L.C. Management is charged with the responsibility of informing all employees of this policy and maintaining adherence to it.

### **Gratuities to Customer Representatives**

This policy establishes the ethical conduct to be maintained by employees in relationships with customers. As an employee, you may not receive, give, pay, promise, or offer to our customers anything of value for the purpose of securing or appearing to secure preferential treatment. This also includes any form of gratuity to or from employees of our customers or members of their families.

### **Gratuities from Vendors**

This policy establishes the ethical conduct to be maintained by employees in relationships with vendors. As an employee, you may not receive, give, pay, promise, or offer to our vendors anything of value for the purpose of securing or appearing to secure preferential treatment. This also includes any form of gratuity to or from employees of our vendors or members of their families.

- Expenses for meals as part of a seminar, convention, or business meeting are not within the definition of gratuities for purposes of this policy.
- Violation of these policies will be treated as a major violation and depending on the circumstance may be grounds for immediate termination or other appropriate action.

## Confidentiality

Any information concerning the business affairs of Edge Systems, L.L.C., its suppliers, customers, employees or personnel associated with the Company is confidential and restricted.

Employees, at the time of their employment will be required to sign a Confidentiality Agreement. ***A sample of such agreement can be found in the***

***Appendix of this manual.*** Questions concerning this policy including what constitutes confidential information should be referred to the employee's manager.

Further, the Company expects that any knowledge, techniques, written materials and other information relative to the Company's business developed during employment remain the property of the Company.

## Company Equipment

Employees are responsible for the proper use, protection and maintenance of all equipment and other property furnished or made available to them by the Company. Unauthorized or abusive use of such property is prohibited.

An employee may be issued keys during their employment to enable them to carry out their job duties. These keys remain the property of the Company. They may not be duplicated.

All equipment, keys and other property of the Company must be returned on the last day of employment, or sooner, if requested.

## Section

## 2

## Pay Provisions

### Payday/Bi-Weekly Pay Periods

Edge Systems operates on a cycle of 26 payrolls per year. Employee paychecks or direct deposit verifications are distributed each payday. Each paycheck is for work performed during the two weeks ending on the Saturday of the week in which paychecks are distributed. Because paychecks are processed on the Wednesday preceding payday, adjustments will be reflected in the following payroll cycle.

No one will be permitted to pick up your paycheck without verbal authorization from you.

If you receive a paycheck for an incorrect amount, please report it immediately to Human Resources.

### Overtime

Unless exempt by federal law, Edge Systems non-exempt employees are paid at the rate of one and a half (1.5) times their hourly rate for any time worked in excess of forty (40) hours in their scheduled workweek.

Overtime is paid in the period following the period overtime hours were worked.

The employee's supervisor must approve all overtime. Edge Systems does reserve the right to provide compensatory time-off in lieu of overtime. Compensatory time off will be at the rate of one and a half times (1.5) of the actual overtime hours worked.

Paid holidays, vacations, and leaves of absence are not considered hours worked for the purpose of computing overtime.

## Lost Payroll Checks

If you lose your paycheck or your direct deposit has not been wired to your bank report it to the payroll department immediately.

## Employee Incentive Program

**Eligible Participants:** All Full time employees who have completed the probationary period

**Period of Performance:** January 1 – December 31

### **Plan Description:**

The Employee Incentive Plan is based on Company financial performance, including revenue, gross margin, and profit before tax.

Financial objectives are established quarterly by management and are categorized by business unit.

### **Bonus Payment Basis:**

You must be on the payroll the last day of the quarter to be eligible for the quarterly bonus. Bonus payments will be paid in the month following the end of the quarter and will be based as follows:

40% - Revenue

20% - Gross Margin

40% - Profit Before Tax

**Bonus Payment:** 20% - Quarterly Base Compensation (Overtime Excluded)

<b>Performance Thresholds:</b>	< 80%	No Bonus Payments
	>80-90%	50% of Eligible Amount
	>90-95%	75% of Eligible Amount
	>95%	100% of Eligible Amount

In addition to the Employee Incentive Plan, we also offer employment referral bonuses to those employees that introduce potential Technical and Professional candidates who are subsequently hired. Only full time Technical and Professional positions are eligible for the referral bonus payment. The particulars of this plan are:

**Employment Referral Bonus \$ 2,500.00**

This is a one-time payment paid to the referring employee upon completion of 6 months of satisfactory service of the new employee. Payment will be made in full on the payroll immediately following the completion period.

## Section

## 3

## Expense Policies

### Management Approval

All travel expense requests, mileage or subsistence expense reports, purchase requisitions, educational assistance reimbursements, and other business related expense reports must be approved by the employee's supervisor before the request will be processed for payment by the accounting department.

Edge Systems, L.L.C. managers may only approve expenditures which are business related, reasonable, and consistent with the letter and intent of company policies. Occasionally, a policy will not cover a specific expenditure. Similarly, the facts and circumstances relating to a particular item or expense may justify an exception to the letter of a policy. In these events, a manager should consult with a vice president or higher level officer of the company for guidance. Among the factors to be considered in resolving such issues are the following:

- The intent or purpose of the policy
- The particular facts or circumstances surrounding the expense
- The necessity for the expense
- The amount involved and
- Previous similar situations.

Employees who incur expenses, or charge expenses to the company, without prior approval do so at their own risk. Employees are invited to seek prior approval from management in questionable situations.

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## Travel Reimbursement

This policy establishes the general guidelines and procedures to be followed when business travel is required.

- Travel related expenses are to be detailed on the company travel reimbursement form
- Employees who prefer to use their personal vehicles for their convenience on company business, including trips to the airport, will be reimbursed at the standard company mileage rate, provided that the time and distance involved is reasonable under the circumstances.
- All parking expenses and highway tolls incurred as a result of business travel will be reimbursed.
- All air travel must be approved in advance by the employee's manager unless unavoidable. All travel will be by coach class. The duplicate airline ticket receipt is to be attached to the company reimbursement form.
- If a rental car is used, additional insurance should be purchased. A copy of the rental car agreement form must accompany the travel reimbursement form.
- 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.
- All meal and incidental expenses are to be reported on the employee's expense report when submitted. Receipts are required for any meal or incidental expense that exceeds \$ 25.00. Reasonable tips, not exceeding 20%, when paid by the employee and noted on the receipt, will be reimbursed.
- When traveling with other Edge Systems, L.L.C. employees, each employee is to pay for their own meal.
- Travel reimbursement requests are due in the accounting department on the last working day of each month.

All company travel, conference, and meeting expenses must clearly serve the objectives of the company.

Travel advances are intended to allow employees the convenience of using the company's money for business purposes while traveling. However, only reasonable travel advances will be granted and only on prior request. Travel advances must be accounted for on the travel reimbursement form by deducting it from the employee's claimed expenses.

If the travel advance exceeds the claimed expenses, employees shall attach a check to the expense report made payable to the company for the difference.

## Use of Car on Company Time

Employees required to travel in fulfilling their job responsibilities may rent a car upon receiving the approval of their supervisor. A compact size car will be the employee's first choice in obtaining a rental car. Employees that rent a car while on company business are to purchase from the rental car company additional insurance. Coverage to be purchased is:

- Loss Damage Waiver with Full Coverage
- Supplemental Liability

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 expense voucher.

## 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 represented must relate directly to the employee's position or provide beneficial information to be shared in the employee's department. The employee's supervisor or higher level officer of the company must approve the employee's participation in the conference or meeting.

The company will pay for the following expenses if attendance is ap-

proved: tuition or 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.

## Cellular Phone Use

Edge Systems, L.L.C. encourages the use of personally owned cellular telephones by its management and sales staff when that use will make them more effective in their efforts. As such, cellular telephone usage fees for business use of these telephones will be reimbursed as follows.

The employee is responsible for obtaining their own NAM (Number Assignment Module) number. Edge Systems, L.L.C. will not accept direct billing to the Company by the “home” cellular carrier.

Have your cellular carrier provide you with the detailed billing option. When you submit your expense form, attach a copy of your phone bill with all call record information that is business related highlighted. These per use costs, plus the cost (if any) for detailed billing, and a portion of the time pack service plan reflecting the like ratio of personal telephone use to business telephone use shall also be reimbursed. The employee is responsible for selecting a time pack plan that is consistent with his or her usual use of the cellular phone systems.

IRS record-keeping rules are strict in this area. Starting in 1990, users must back business-call deductions with records, otherwise, costs become taxable income for employees.

Edge Systems, L.L.C. will not reimburse the cost of the cellular telephone radio set or the cost to establish or restore service.

## Relocation Assistance

Edge Systems, L.L.C. will pay for reasonable and customary moving expenses for any new or current exempt employee required by the company to transfer his or her full time work location. The new work location must be beyond a reasonable commuting distance of 50 miles one-way from their current permanent present residence.

Employees who voluntarily terminate within 12 months from the date

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of relocation will be required to refund to the company all expenses paid under this policy. Any monies owed Edge Systems under this policy will be withheld from the final paycheck of the terminating employee. If a balance remains after such deduction, the terminating employee will be expected to submit final payment within five (5) business days of termination.

The following summarize our company's requirements and condition in the relocation of new or current employees:

- The employee and his or her supervisor will identify all major costs that the employee will incur as a result of the move. An estimated total dollar relocation figure will be arrived at and a relocation request will be prepared.
- The employee and his or her supervisor will review the relocation plan and prepare the company reimbursement statement. The statement will be submitted to a vice president or higher level officer of the company for final approval.
- Upon receipt of final approval, the employee will request estimates from at least two reputable and licensed carriers and select the lowest cost carrier to move the employee's household goods. A copy of each carrier's estimates will be given to the accounting department.
- Transportation for personal and family relocation may be by private vehicle or by public transportation.

*Private automobile.* Employees will be reimbursed at the current company approved mileage rate. Mileage allowance will be based on the most direct route between point of residence and new work location. Reimbursement will be limited to one family vehicle.

*Public transportation.* If the employee chooses air travel, only coach or tourist class is authorized. If not available, the employee's supervisor may authorize first class.

- Authorized travel in addition to actual move: one (1), three day

pre-move trip to the new work location for house-hunting by the employee and spouse or significant other may be approved by employee's supervisor in advance.

- **Subsistence:** reasonable food and lodging expenses of employee and his or her family are authorized during the actual relocation. A receipt must support all requested reimbursements.
- **Household goods:** all costs of packing, unpacking, insuring, and shipping household goods are authorized in accordance with the approved carrier's estimate. The employee assumes full responsibility for any claims against the carrier arising from the move.
- **Shipment of a vehicle:** approval must be requested in advance with initial relocation plan.

**Reimbursement:** following relocation, the employee assumes responsibility for providing all necessary documentation for relocation expenditures to expedite payment of all costs.

## Health Club Membership

To encourage both a positive mental and physical environment for all members of Edge Systems, L.L.C., the company contributes toward the cost of health club memberships.

Employees who have completed the probationary employment period are eligible to participate in this program. Reimbursement or payment of membership fees will be provided only once per year.

- The amount reimbursed will be up to but not exceeding \$175/year.
- Reimbursement will be provided for initiation and annual membership fees.
- Reimbursement will be provided on an annual basis, from the date of the first request for reimbursement.
- If an employee is already enrolled in a health club, the company will reimburse the membership for that year and each year thereafter, subject to the limitation noted above.

## Training and Development Policy

It is the policy of Edge Systems, L.L.C. to support the continuing growth and development of its staff.

To help achieve training and development objectives, the Company provides support for a number of methods to improve the skills and abilities of employees.

The degree of assistance provided and the method to obtain improvements in skills and ability will be determined by management based upon the business need and other circumstances in each situation. Although the programs included under this policy will help individual employees improve their own skills; the purpose of the policy is to outline an overall approach to training and development. Individual programs, such as educational assistance, are considered to be part of the overall staff development program.

### **Seminars**

When several employees are determined to be in need of the same type of training, it may be determined that an in house or group seminar conducted on site will be scheduled. The Human Resources Manager will have responsibility for coordinating the necessary arrangements for this to occur.

### **Training Costs**

If deemed to be in the best interest of the company, all costs associated with training will be borne by the company. Out of pocket expenses such as travel and living will be reimbursed upon receipt of an approved expense voucher.

## Section

## 4

# Employee Benefits

## Employee Benefit Programs

Full time Edge Systems, L.L.C. employees\* are eligible for the following benefit programs:

- Group health
- Dental
- Life Insurance
  
- Long term disability
- Flexible spending accounts
- 401(k)

\*For purposes of this policy, full time is defined as working 2080 hours per year or more.

Employees may refer to the appropriate plan documents for eligibility procedures and provisions concerning benefit programs. Naturally, it is the legal document that must be followed in the administration of these plans, and these plan documents will govern if any discrepancy exists.

## Vacation Time

The object of our paid time off policy is to provide each of you with an opportunity to enjoy a continuous period of rest and recreation and a change of atmosphere. Paid time off will be earned as follows:

A. The vacation year begins on January 1 and ends on December 31. Full-time employees with less than five (5) years of continuous employment with Edge Systems, LLC will be entitled to receive ten (10) days of paid vacation at the normal rate of compensation.

B. Full-time employees with five (5) or more years of continuous employment with Edge Systems, LLC will be entitled to receive fifteen (15) days of vacation at the normal rate of compensation.

C. Upon completion of the probationary period of three (3) months, new full time employees will begin earning 1.54 hours per time card reporting period (80 hrs. / 52 weeks). All other employees will earn xx hrs. per time card reporting period based on their yearly eligible vacation hours after probation. (xx hrs. = eligible vacation hours / 52 weeks.).

D. Employee vacation time is earned (accrued) after each time card reporting period (52/year) of 38-40 hours (full-time worker). At year end, or upon employee termination, used but unearned vacation will be deducted from the employee's pay, or the employee must reimburse Edge Systems.

E. Employees intending to take vacation leave will notify their supervisors sufficiently in advance of when time off is to be taken to permit work schedules to be met.

## Holidays

Full-time employees are entitled to the posted paid holidays. A copy of this schedule will be provided by Human Resources and updated annually.

Part-time employees who work less than a 40 hour week schedule but more than 30 hours a week will receive a pro-rata amount for holiday pay.

To qualify for holiday pay, you must work the last scheduled work day preceding and the first scheduled work day following the holiday unless on an approved absence.

## Floating Holiday

All Full-time employees on the payroll on or before July 1<sup>st</sup> are eligible for one (1) floating holiday for that year. **All unused floating holidays will be forfeited upon notice or announcement of resignation, termination, or layoff.**

## Sick Leave

A. Each employee of Edge Systems, LLC earns a sick leave credit of five (5) days. Sick leave may be used with supervisory approval for personal illness or an emergency or illness involving a family member.

B. Upon completion of the probationary period of three (3) months, new and other full time employees will begin earning 0.77 hours per time card reporting period (40 hrs. /52 weeks.)

Unused sick leave in any calendar year cannot be carried forward and may not be used in lieu of unearned vacation.

## Maternity Leave

Pregnancy is not considered to be a short-term disability. Edge Systems, L.L.C. does however provide for six (6) weeks of paid maternity leave for those employees who have completed one (1) year of full-time employment, upon receipt of a physician's statement.

## Military Leave

Employees who enter the Armed Forces of the United States will be granted extended leaves of absence without pay in accordance with federal and state laws governing such leaves.

An employee who is a member of the National Guard or of a reserve component of the armed forces will, upon furnishing a copy of the official orders or instructions, be granted a military training leave. Upon presentation of a military pay voucher, employees will be reimbursed for the difference between their normal compensation and the pay they receive while on military duty. Training leaves will not, except in an emergency or in the event of extenuating circumstances, exceed two weeks per year.

## Jury Duty

Employees called upon to serve on jury duty will be granted time off with their length of service retained. The company will pay the difference between the employee's regular salary and any compensation paid for jury duty upon receipt of a valid voucher. Employees should notify their supervisor immediately if called to serve on jury duty.

## Bereavement Leave

Employees are allowed a paid leave of absence up to four days for the purpose of arranging and attending the funeral of the employee's father, mother, sister, brother, spouse, child or grandparent. Such leaves will not include unscheduled work days. Employees may be requested to provide documentation related to the funeral to their immediate supervisor.

## Leaves of Absence

It is the policy of Edge Systems, L.L.C. to grant leaves of absence to all eligible employees on a non-discriminatory basis. Leaves of absence will be considered in cases of medical disabilities and in cases of personal emergency, military duty or bereavement. Unless specifically provided otherwise, all leaves of absence are on an unpaid basis.

Requests for leaves of absence must be made in writing as far in advance as possible to your immediate supervisor. Granting of leaves of absence will depend upon the needs of the business and the nature of the request.

If an employee accepts other employment or fails to return to work on the next regularly scheduled work day following the expiration of the approved leave of absence, the employee will be considered to have voluntarily resigned.

## **Personal Leave of Absence**

A leave of absence, which is not due to participation in the military or medical reasons, is considered a personal leave of absence. Management is to decide when and if a personal leave of absence is to be granted, and determine the duration of the leave.

If you desire to be off from work for more than 5 days, an application for a leave of absence must be made in writing. The application is to state the date of the leave, the date to return and the reason for the request. Approval of the leave must be granted in writing by your immediate supervisor. A personal leave of absence is not to exceed three (3) months.

If you want to return to work after a personal leave of absence, you should apply for employment as soon as possible before the date you want to return to work. You are not guaranteed employment. Business demands and the size of the staff working at the time will be determining factors in whether you can return to work.

## **Family and Medical Leave of Absence Policy**

Edge Systems is committed to compliance with the Family and Medical Leave Act of 1993 (the "Act"). That Act allows certain employees to obtain unpaid leaves for certain family and medical reasons for up to 12 weeks, with job protection and no loss of accumulated service provided the employee returns to work.

### **1. Eligibility**

To be eligible for leave under the Act, an employee must:

- a. have been employed by Edge Systems for a total of 12 months; and
- b. have worked at least 1,250 hours during the 12 months before commencement of the leave.

## **2. Available Family and Medical Leave**

### **a. Generally**

Eligible employees are entitled to take up to 12 unpaid work weeks of leave during a 12 month period for any of the following reasons:

- (1) The birth of a child of the employee and in order to care for such child;
- (2) The placement of a child with the employee for adoption or foster care;
- (3) To care for a spouse, child (who is under 18 years of age or incapable of self-care due to a disability), or parent other than an in-law) with a serious health condition; or
- (4) An employee's own serious health condition which renders the employee unable to perform his or her job.

For purposes of this policy, the start of the 12 month period begins with the start of the employee's first family or medical leave.

Any leave taken for the birth of a child or the placement of a child for adoption or foster care must be completed within one year after the date of birth or placement.

### **b. Where husband and wife are both Company employees**

If both a husband and wife are employed by Edge Systems and eligible for leave under the Act, they are permitted to take only a combined total of 12 weeks of leave during any 12 month period if the leave is for the birth of a child and to care for such child, the placement of a child for adoption or foster care, or to care for a parent with a serious health condition.

### **c. Reduced or intermittent leave**

An employee who requests medical leave based upon the serious health condition of the employee or the employee's family member may re-

quest that such leave be taken on an intermittent or a reduced leave schedule. “Intermittent leave” is leave that is taken during any nonconsecutive time period (e.g., one week on, one week off). “Reduced leave” is leave that is taken by reducing the employee’s normal working hours (e.g., four hours on per day, four hours off). Any request for either intermittent or reduced leave must be supported with information requested in Edge Systems’ medical certification.

If such intermittent or reduced leave is foreseeable based upon a planned medical treatment, Edge Systems retains the right to transfer the employee requesting such leave to a different position, with equivalent pay and benefits, in order to best serve Edge Systems’ operational concerns during either the intermittent or reduced leave. In the alternative, Edge Systems may restructure the employee’s existing position but maintain the employee’s existing pay and benefits.

#### **d. Serious health condition**

For purposes of this policy, a “serious health condition” means an illness, injury, impairment, or physical or mental condition involving either: (1) incapacity or treatment connected with inpatient care at a hospital; or (2) continuing treatment by a health care provider including a period of incapacity due to any of the following:

- a health condition lasting more than 3 consecutive days with accompanying treatment by a health care provider;
- pregnancy or prenatal care;
- a chronic serious health condition which requires periodic visits to a health care provider and may involve periods of incapacity;
- a permanent or long-term condition for which treatment may not be effective;
- any absences to receive multiple treatments for restorative surgery or for a condition which would likely result in a period of incapacity for more than 3 days if not treated,

Cosmetic treatments are excluded unless involving inpatient care. Similarly, common colds, flu, headaches other than migraine, routine dental problems and physicals ordinarily are not serious health conditions.

### **e. Allotment of FMLA leave**

Any employee who is eligible for and takes any period of FMLA leave will have that leave designated as a FMLA leave and counted against their annual FMLA leave allotment. The annual FMLA leave allotment is a “rolling” 12-month period, measured backward from the date that an employee takes any FMLA leave. There is no “carry over” of unused FMLA leave from one 12-month period to the next.

## **3. Procedures For Leave**

### **a. Requesting a leave**

All employees who wish to take a Family or Medical Leave will be required to complete a Request for Family/Medical Leave Form. A sample sized form is located in the Appendix of this manual. See your Supervisor to obtain a full-sized copy of this form.

When a leave is foreseeable, the employee must provide Edge Systems with 30 calendar days advance notice prior to the expected start of the leave, and the employee requesting such leave must make a reasonable effort to schedule such leave so as to not disrupt Edge Systems’ operations. That notice is to be provided by completing and submitting a Request Form. When the employee has less than 30 days’ notice of the need for leave, he or she must give as much advance notice as possible. Such notice generally must be given to Edge Systems within 2 working days after the employee learns of the necessity for an unforeseen FMLA leave. If the employee is physically or mentally unable to fill out the Request Form, a member of employee’s family or the employee’s representative must do so on the employee’s behalf.

The Request Form must be completed in detail, signed by the employee or the employee’s representative, and submitted to the Supervisor.

If the requested leave is due to the serious health condition of the employee or his or her family member, the employee must also provide a health care provider’s medical certification on a form available from the Supervisor.

### **b. Approval of the leave**

With respect to the medical certification of serious health conditions, Edge Systems has the right to require the employee to obtain a second opinion at Edge Systems’ expense. In the event of conflicting opinions,

Edge Systems may require the employee to obtain certification from a third health care provider, again at Edge Systems' expense, who is designated or approved jointly by Edge Systems and the employee. The third opinion will be final and binding.

The employee will be notified whether the request for leave has been granted.

### **c. Substitution of paid leave**

If the employee has any accrued paid vacation, that leave must be used for any qualified family or medical leave concurrently with the employee's leave under the Act. Those paid leave days which are used will count toward the employee's entitlement to 12 weeks of family or medical leave.

### **d. Reporting requirements during the leave**

During a leave, an employee is required to report to his or her supervisor every 30 days to verify his or her status and when he or she expects to return to work.

Edge Systems may require subsequent recertification of serious medical conditions. When certification or recertification is required by Edge Systems, the employee generally must provide the completed certification form to Edge Systems within 15 days. Failing to timely provide the completed certification form generally will disqualify an employee from FMLA leave until Edge Systems receives the completed certification form. If the completed form is not provided by the time the FMLA leave ends, Edge Systems may deny an employee job reinstatement.

The employee will be responsible for timely requesting any extension of the family or medical leave. Extension of a leave of absence should be requested, if circumstances allow, at least seven (7) days prior to the expiration of a leave. For an extension of a medical leave due to either the serious health condition of the employee or the employee's family member, a doctor's certification will be required.

### **e. Requirements prior to return from leave**

Prior to returning to work after leave for his/her own serious health condition, the employee must provide a medical certification of his/her ability to return to work.

## **4. Reinstatement At The Conclusion of The Leave**

### **a. Generally**

An employee who timely returns from a family or medical leave will be reinstated to the same position that the employee held prior to when the leave started, or to an equivalent position with equivalent benefits, pay and other terms and conditions of employment (unless the employee would not have continued to be employed, or to have received the benefits, if the employee had continued to work during the leave).

### **b. “Key employees”**

If at any point during the leave period, it becomes apparent to Edge Systems that the continued absence of any salaried employee who is within the highest paid 10% of all of the employees employed within 75 miles of employee’s worksite, will cause substantial and grievous harm to Edge Systems, that employee may be denied reinstatement to Edge Systems. However, no such denial will take place until Edge Systems takes the following steps:

(1) notifies the key employee, in writing, of the intent to deny reinstatement as soon as practicable after the substantial and grievous harm becomes apparent; and

(2) affords the key employee the opportunity to return to work upon receipt of such notice.

If the key employee chooses not to return to work upon receipt of such notice, he or she will be denied reinstatement at the conclusion of the leave period. However, the key employee may request reinstatement at the conclusion of the leave period. Edge Systems will then determine if substantial and grievous economic injury would result from reinstatement at that time, and so notify the employee, in writing, if reinstatement is still denied.

## **5. Status of Employee Benefits During Leave of Absence**

Edge Systems will maintain an employee’s group health insurance during the period of up to 12 weeks of unpaid family or medical leave, provided that the employee continues paying his or her share of the health insurance premiums during the leave period. The employee must make arrangements with his or her Supervisor for the payment of his or her share during the unpaid leave period and must make prompt payments

to insure that the employee's health insurance coverage remains intact. Employees who do not make such payments within 30 days of the payment due date may be dropped from plan coverage until such time as this leave period terminates and they return to work.

Edge Systems is not obligated to maintain, and continue paying its share of, the employee's life insurance during the unpaid leave period. If it does so, the employee will be required, through the same procedure utilized for the continuation of group health insurance, to make arrangements for the timely payment of his or her share of any premiums.

Employees on unpaid family or medical leave do not continue to accrue seniority, vacation or sick leave. They also will not be paid for holidays that occur during the leave.

In the event that an employee elects to not return to work upon completion of an approved unpaid leave of absence, Edge Systems may recover from the employee the cost of maintaining the employee's coverage, unless the failure to return to work was due to the recurrence or onset of a serious health condition, or otherwise beyond the employee's control.

## **6. Prohibitions**

The following employee conduct is strictly prohibited:

1. Engaging in fraud, misrepresentation or providing false information to the Edge Systems in connection with family or medical leave.
2. Having other employment during the family or medical leave, without prior written approval from his/her Supervisor.
3. Failure to comply with the employee's requirements under this policy.
4. Failure to timely return from the family or medical leave.

Employees who engage in such conduct will be subject to loss of benefits, loss of leave, or discipline, up to and including discharge.

## **7. Effect of The Policy**

This policy is designed and intended to replace and supersede any prior Company policies or practices with respect to family and medical leaves.

## Section

## 5

## Separation Policy

### General Statement

The Company recognizes that each termination situation presents a unique set of circumstances. Fairness and common sense dictate that each separation decision be reviewed and decided on its individual facts in the context of surrounding circumstances.

### Grievance Procedure

In coordination with the “Corrective Counseling” policy, an employee may express a verbal grievance to his or her immediate supervisor. 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. The written statement will be reviewed by the Human Resource Manager, who will appoint a person to decide the matter. The employee and his or her supervisor 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. Final resolution of the grievance will be made by the appointed person and discussed with the employee and supervisor, with the original kept by the Human Resource Manager. A copy will be filed in the employee’s personnel file when appropriate.

### Termination Procedures

Termination of employees is to be treated in a confidential, professional manner by all concerned. The supervisor, department manager, and personnel department 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 entitled to receive all earned pay.

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
- Layoff- termination due to reduction of the work force or elimination of a position.

## Resignation

An employee desiring to terminate employment, regardless of employee classification, is expected to give as much advance notice as possible. Two weeks or 10 working days are generally considered to be sufficient notice time.

Should an employee resign to join a competitor, if there is any other conflict of interest, or if the employee refuses to reveal the circumstances 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 will receive pay "in lieu of notice"; the maximum being two weeks of pay based upon a 40 hour work week at the employee's straight time rate or salary.

## Dismissal

### **Substandard Performance**

An employee may be discharged if his or her performance is unacceptable. The supervisor or department 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 or department manager is expected to be alert to any underlying

reasons for performance deficiencies such as personal problems or substance abuse. A Vice President or higher level officer of the company 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 and Vice-President 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 termination notice, no salary continuances or severance pay will be allowed.

## Layoff

When a reduction in force is necessary, employees will be identified for layoff after evaluating the following factors:

- Company work requirements
- Employee's abilities, experience, and skill
- Employee's potential for reassignment within the organization
- Length of service.

The Department Manager (or immediate supervisor) will personally notify the employee of a layoff. The following procedure will apply to any reduction in force:

1. The employee will receive as much notice as is possible that a layoff may occur.
2. The amount of severance pay will be based on years of service and

granted in accordance with the following schedule:

Length of Service on Date of Lay Off	Amount of Severance
• One full year but less than 3 years	Two weeks salary
• 3 full years but less than 4 years	Four weeks salary
• Over 4 years	Six weeks salary

*The amount of severance is reduced by two weeks if the individual refuses to sign a waiver indicating there will be no future legal action taken against the Company.*

Employees will continue on the payroll for the length of the severance. The length of the severance will be determined to be the number of weeks severance (from the chart above) plus the number of days of earned but unused vacation, plus one floating holiday (provided none have yet been taken during that calendar year). Employees will continue to be covered under the Company’s medical insurance plan but would not accrue additional vacation days or be eligible for any other benefits during the severance period. The termination date would be established as the last day of the severance period.

Out placement assistance will be determined jointly by the Department Manager and the Human Resources Manager based on the circumstances in each situation. Generally, this assistance may include mailing or faxing of resumes for the length of the severance and/or outplacement counseling by the Human Resources Manager, but would not include clerical assistance or use of office space and services.

### **Termination Processing Procedures**

- Human Resources will coordinate the use of a Termination Checklist.
- All outstanding advances will be deducted from the final pay check.

- On the final day of employment Human Resources will receive all keys and other company property.
- The Manager or designee will conduct an exit interview.
- The employee will pick up his or her final payroll check from the personnel department at the next regular pay period date. The final check shall include all earned pay and any expenses due the employee.

Termination of employees is to be treated in a confidential, professional manner by all concerned. The supervisor, department manger, and personnel department must assure thorough, consistent, and even-handed termination procedures. This policy and its administration will be implemented in accordance with the company equal opportunity statement.

In as much as an employee can terminate his or her employment with the company at any time and for any reason, Edge Systems, L.L.C. can terminate an employee at any time and for any reason. Edge Systems, L.L.C. subscribes to the policy of "employment at will". Continued employment with the company is at the sole and exclusive option of company management. Permanent employment or employment for a specific term cannot be guaranteed or promised.

Promises or guarantees of permanent or specific term employment will not be made to an employee of Edge Systems, L.L.C. by anyone, nor will such promises or guarantees, if made, ever be adhered to by the company or enforced by the employee.

## Section

## 6

## General Guidelines

### Attendance and Punctuality

Regular attendance and punctuality are very important at Edge Systems, L.L.C. Employees are expected to begin and end work on schedule. The company recognizes that circumstances beyond an employee's control may cause him or her to be absent from work. However, excessive absenteeism or tardiness in connection with scheduled work times, breaks and meal periods will result in disciplinary action up to and including discharge.

Should an employee be unable to report to work due to illness, he or she must notify their immediate supervisor by 10:00am on each day of the absence. Failure to properly notify the supervisor will result in an unexcused absence.

If an employee is absent more than three (3) consecutive work days, a statement from a physician may be required before the employee is permitted to return to work.

Employees who are absent from work for three (3) consecutive days without giving proper notice to the Company will be considered to have voluntarily resigned.

### Communication

To be effective as an organization, we need to be in contact and in communication with each other. In particular, we expect you to keep your immediate supervisor and the receptionist informed at all times of your

whereabouts.

- If you are going to be arriving late (i.e. more than just a few minutes) coming in to the office, whether it be for personal reasons or for an early morning business appointment outside the office, you are expected to call your supervisor. If he/she is not available, leave a voice-mail for your supervisor indicating the phone number where you can be reached.
- If you are expected to be out of the office during normal business hours for personal or business more than the lunch hour, you are expected to follow the same procedures as above.
- It will be the responsibility of the supervisor to notify by e-mail, as necessary, others in the organization who need to know how to get in contact with you.

If the above procedures are not followed, we can only assume you have taken a vacation day, and it will be recorded accordingly.

## Telephone Policy

Personal calls of short duration, i.e., 2 - 3 minutes, may be received and made at your desk or workstation. No long distance calls will be tolerated unless there is an emergency with prior permission received from a supervisor. Personal telephone call privileges are subject to change or termination at any time. For instance, and not to be limiting, if the company telephone lines become overloaded with calls or an employee is found spending more than just limited time on personal call, this privilege will be revoked either generally or specifically as to the offending employee.

## Postage Meter

The following procedure has been implemented for the purpose of processing mail through the company postal meter.

The receptionist will be responsible for processing company mail through the postage machine. There will be a drop box located in the mailroom and all outgoing, unstamped mail should be placed in the box. The recep-

tionist will then see that the mail is stamped and mailed as detailed below.

- Personal mail will not be processed on the company postal meter.
- All unstamped, outgoing “company” mail will be deposited in a box in the mailroom.
- Any prestamped personal or company mail should be placed directly in the outgoing box in the lobby.
- At approximately 10:00 AM all mail deposited in the incoming box in the mailroom will be weighed and processed through the postage meter and placed in the outgoing mail box in the lobby.
- At approximately 2:30 PM any additional mail that has been placed in the incoming mailbox will be weighed, stamped and taken to the outgoing mailbox.

## Smoking

Edge Systems, L.L.C. is committed to providing our employees a safe and healthful workplace. Likewise, we want to present a professional and pleasant environment to visitors, which may include customers, suppliers, or other business associates.

Because of the Surgeon General’s published statement on the ill effects of second-hand smoke on individuals, and because of industry statistics that smoking adversely affects productivity and costs of insurance. Edge Systems, L.L.C. prohibits smoking in any of its facilities by employees or by any persons on the premises of the Company.

## Change in Work Schedules

Any special requests for time off should be made as far in advance as possible. In order to plan for your absence, at least one (1) week advance notice is preferable. We will try to accommodate your request; however, business demands may not always make accommodation possible.

If you are aware of a future anticipated absence because of a personal situation, such as a required court date, jury duty, etc., notify your super-

visor of your anticipated absence as soon as you learn about it so that we can plan for your absence.

## Personal Appearance and Demeanor

Discretion in style of dress and behavior is essential to the efficient operation of the company. Employees are, therefore, required to dress in appropriate business casual attire, which does not include blue jeans or tennis shoes, and to behave in a professional, businesslike manner. Employees should use judgment in their choice of work clothes and remember to conduct themselves at all times in a way that best represents them and the company.

Employees are also required to keep their work environments clean and orderly. Before departing in the evening, employees should lock all files and cabinets and clear all work materials from desk surfaces, especially materials of a sensitive or confidential nature.

## Change of Address or Status

The personal data you provide, particularly your address and telephone number is vital for emergencies and for many important personnel and payroll functions. Please be certain to notify the Human Resource Department of any change in your address and/or telephone number, marital status, or dependent status.

## Building Security

All employees are responsible for building security. The alarm system control panel is located in the vestibule. Company policy requires that the first arriving employee will disarm the alarm and the last departing employee will engage the alarm after verifying that all other employees have left the premises.

Upon being hired each employee will be given a key to the front door of the building and choose a unique four digit security code used to activate or deactivate the alarm. It is your responsibility to keep your security code confidential. At the time you separate from the company you will be required to relinquish the key for the front door of the building.

## Safety and Accidents

The Company makes every reasonable effort to ensure a safe working environment and expects all employees to be safety conscious. Employees should immediately report any unsafe or hazardous conditions directly to their supervisor. Every effort will be made to remedy problems as soon as possible.

In case of an accident involving a personal injury, regardless of how serious, you should notify your supervisor immediately.

## Employee Privacy

Edge Systems, L.L.C. recognizes our employee's rights to privacy. In achieving this goal, the company adopts these basic principles:

- The collection of employee information will be limited to that needed by the company for business and legal purposes.
- The confidentiality of all personal information in our records will be protected.
- 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.
- Internal access to employee records will be limited to those employees having an authorized, business related "need-to-know". Access may also be given to third parties, including government agencies, pursuant to court order or subpoena.
- The company will refuse to release personal information to outside sources without the employee's written approval unless legally required to do so.
- 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 records.

## Employment of Relatives

Edge Systems, L.L.C. permits the hiring of relatives of current employees if the applicant is qualified and selected by the hiring manager/supervisor. The primary consideration for placement is the proximity of the relatives' work areas to each other. Only in extraordinary circumstances, with management approval, should an employee be directly or indirectly supervised by a relative. A relative is defined as any person related to the employee by blood, marriage or adoption.

# APPENDIX

## Confidentiality Agreement

## Performance Evaluation

## Salary Increase Recommendation

## Family Medical Leave Forms