



EMPLOYEE HANDBOOK

REV DATE	REV BY	CONTENT CHANGED	APPROVED
6/25/10	BJP	Formatting. Addition of Rev Block	RJK
9/07/12	BJP	Revisions to pgs. 13, 14 per diem wording	VGf
9/20/13	BJP	Revisions to page 13 per diem. Page 14 expense reports. Page 17 comp time.	VGf
11/14/13	BJP	Revisions to PTO, page 19	VGf
10/13/16	BJS	Revision to page 13 per diem	BJS
7/13/17	BJS	Revisions throughout entire handbook	BAC
11/15/17	BJS	Intent of comp time added to page 18	VGf
1/8/18	BJS	Revision to Holiday Pay for Part-timers	VGf
11/1/20	BJS	Updates to parental leave, sick children, election voting, jury duty, ERs	BAC
12/27/22	BJS	Updates to EEO, Work from home, ERs, Timesheets, Comp Time, PTO	DJN

TABLE OF CONTENTS

Contents

Table of Contents.....	2
Introduction	4
Welcome to HRST.....	4
Purpose of Handbook	5
Employment Practices	6
Equal Employment Opportunity	6
Criminal Background Check	6
Other Employment, Client, or Customer Requirements	6
Code of Ethics	7
Employee Relations	7
Disabled Employees	7
Privacy Policy.....	8
Employment Classifications	9
Working from Home	9
Job Descriptions	10
Organization Classification	10
Visitors	10
Personnel Records	10
Company Service.....	10
Employee Transfers	10
Promotion from Within.....	11
Performance Appraisal Process	11
Employment Reference Checks	11
Employee Communications.....	11
Notice of Reason for Termination	12
Problem Solving Process	12
Employment of Relatives	12
Clarification of Rates (for internal use only)	12
Employee Expenses	13
Automobiles – Company Owned / Rented	15
Automobiles – Personal Vehicle Use, Not Company Owned / Rented	16
Salary and Wage Administration.....	17
Work Week.....	17
Weekly Time Sheets.....	17
Pay Periods	17
Deductions	17
Breaks	17
Overtime	18
Comp Time / ST-OT Comp Time.....	18
Major Holiday Incentive Pay	18
Salary Determination	18
Employment Benefits	19
Personal Paid Time Off (PTO)	19
PTO Buy/Sell Plan.....	20
Holidays.....	20
General Insurance Information	21
Cobra-Health Insurance Continuation	21
Health Insurance	21
Long-Term Disability Insurance.....	21

Life Insurance	21
Travel and Accident Insurance	21
Leave of Absence	21
Parental Leave	22
School Conferences and Sick Children	22
Bone Marrow Leave	23
Election Voting.....	23
Bereavement Leave	23
Pet Bereavement Leave	23
Jury Duty Leave.....	23
Military Leave	23
Civil Air Patrol Leave.....	24
Employee Assistance Program	24
Section 125 Plan	24
Employee Stock Ownership Plan (ESOP)	24
401(k)	24
Cell Phone	24
Guidelines for Personal Conduct	25
Rules of Conduct	25
Employee Social Responsibility	25
Confidential Information	26
No Harassment Policy	26
Reporting and Investigating.....	27
Consensual Relationship.....	27
Importance of Communication	28
Types of Other Discrimination or Harassment	28
Drug Free Workplace	28
Smoking.....	28
Health, Safety and Environment.....	29
Violence in the Workplace	29
Prohibited Conduct.....	29
Reporting Procedures.....	29
Injury at Work	30
Outside Employment	30
Duplication of PC Software.....	30
Information Technology	30
Users and Passwords	31
Personal Telephone Usage.....	31
Voicemail, Email, and Internet Usage	31
General	31
Internet/Intranet	32
Appropriate Use of the Internet or Intranet:	32
Inappropriate Use of the Internet:	32
Email, Voicemail, and Phone/Fax Systems	32
Appropriate use of electronic mail, voice mail and phone/fax systems:	32
Inappropriate use of electronic mail, voice mail and phone/fax systems:	32
Tardiness and Absenteeism	33
Severe Weather.....	33
Discipline.....	34
Personal Appearance	34
Termination of Employment.....	34
Exit Interview	34
Acknowledgement and Receipt of Employee Handbook	35

INTRODUCTION

Welcome to HRST

We are glad to have you as a member of the HRST Company team. You play an important role within the Company, and we look forward to your contribution to our growth and success.

This Employee Handbook was developed to describe some of the expectations of our employees and to outline the policies, programs, and benefits available to eligible employees. Employees should familiarize themselves with the contents of the Employee Handbook as soon as possible; it will answer many questions about employment with HRST.

Our future growth as a company and as individuals depends on our mutual respect and cooperation, and on each of our contributions to the Company objectives. We want to maintain a reputation as a customer focused company which strives to achieve excellence. Again, welcome!

-CEO, HRST

Purpose of Handbook

This Employee Handbook (the Handbook) contains a summary of the policies and guidelines in effect at HRST as of **December 28, 2022**. The Handbook is to be used as a guide by HRST employees and is not intended to create any contract of employment. This means unless an employee has a separate agreement of employment signed by the CEO of HRST and the employee, the employment relationship with HRST is at-will, and the employee has no contract of employment or guarantee of benefits. Only the CEO of HRST has authority to enter into an agreement of employment for any specified period of time or provide any particular terms of employment or agreements. To be enforceable, such agreement must be in writing and signed by the CEO and the employee. No one has the authority to make oral statements of any kind which are legally binding on the Company. All employment with the Company is "at will," which means employees are not required to work for HRST for any set period of time. Employees remain free to terminate their employment at any time and for any reason upon proper notice. HRST also remains free to terminate an employee's employment at any time and for any reason that does not violate local, state, or federal law, with or without notice and with or without cause.

These policies, in whole or in part, are subject to change, revocation, modification, or amendment at any time in HRST's sole discretion, with or without prior notice, except for the rights of the parties regarding the employment-at-will policy. HRST also reserves the right to interpret any of the policies set forth herein at any time and in any manner it deems appropriate. HRST's interpretation of a provision may vary from time to time if, in its opinion, the circumstances require such variation.

All HRST employees are subject to the guidelines set forth in this Handbook. This Handbook supersedes and voids any prior oral or written policies, practices, or promises made by HRST concerning its employees' terms and conditions of employment, except express written individual employment agreements in place signed by HRST and the employee. All previous Employee Handbooks are hereby revoked.

Coverage

Terms and conditions addressed by this Handbook may vary between various classes of employees. For example, regular full-time employees may be eligible for benefits, while part-time employees may not be eligible for benefits. Distinctions between employees covered by this Handbook as to terms and conditions of employment and entitlement to benefits identified in this Handbook are set forth within the particular sections where distinctions exist.

Supplements

Supplements to the Handbook may be distributed as new policies or procedures are adopted. These additions or replacement sheets should be filed according to the specific instructions that will accompany each addition or replacement sheet. Please note carefully whether inserts or supplements supersede existing material.

If employees have any questions regarding their employment or the use of this Handbook, they should contact the Human Resources Manager.

EMPLOYMENT PRACTICES

Equal Employment Opportunity

HRST provides equal employment opportunities to all employees and applicants for employment and prohibits discrimination and harassment of any type without regard to race, color, religion, age, sex, national origin, disability status, genetics, protected veteran status, sexual orientation, gender identity or expression, or any other characteristic protected by federal, state, or local laws.

This policy applies to all terms and conditions of employment, including recruiting, hiring, placement, promotion, termination, layoff, recall, transfer, leaves of absence, compensation, and training.

Criminal Background Check

As a condition of employment for a proposed employee, a criminal background investigation shall be required. This includes existing employees, if a current criminal background investigation is required by a client for that employee to access their facility. The background investigation shall include the records of the appropriate offices for any jurisdiction in which the proposed employee has lived during the preceding seven (7) year period and shall cover felony and misdemeanor convictions and a confirmation of issuance of the employee's social security number by the Social Security Administration. See separate Background Investigation Policy.

Other Employment, Client, or Customer Requirements

In addition to Criminal Background checks, HRST and/or our clients/customers, require satisfactory: drug screening (see specific policy in the "Personal Conduct" section of this handbook); Department of Motor Vehicle check; I9 verification and certain Terrorist Watch List checks, TWIC card, etc.

A search of major terrorist watch lists which is vital for all employees that are trusted with any sensitive information or materials could include the following:

- Terrorist Exclusion List
- Politically Exposed Persons
- Bank of England Consolidated List
- Bureau of Industry and Security
- OSFI Consolidated List - Canada
- DTC Debarred parties
- OFAC Sanctions Programs and Country Summaries
- OFAC's Specially Designated Nationals & Blocked Persons
- European Union Terrorism List
- United Nations Consolidated List
- Unauthorized Banks
- World Bank Debarred Parties
- Australian Dept. of Foreign Affairs and Trade
- Non-cooperative Countries and Territories
- Interpol Most Wanted
- FBI Watch Lists
- FBI Most Wanted
- FBI Most Wanted Terrorists
- FBI Seeking Information
- FBI Top Ten Most Wanted

A Transportation Worker Identification Credential (TWIC™) is a biometric credential that ensures only vetted workers are eligible to enter a secure area of a Maritime Transportation Security Act-regulated port or vessel unescorted.

Code of Ethics

It is the policy of HRST to comply with all applicable laws and regulations regarding standards of ethics and conflict of interest. The Company expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

The successful business operation and reputation of the Company is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity. The continued success of the Company is dependent upon our clients/customers' trust in us, and we are dedicated to preserving that trust. Employees owe a duty to the Company, its clients/customers, and shareholders to act in a way that will merit the continued trust and confidence of the public.

See Human Resources for the Code of Ethics Policy. Agreeing to this policy is a condition of employment.

Employee Relations

HRST believes that the work conditions, wages, and benefits we offer to our employees are competitive with those offered by other employers in this area and in this industry.

If an employee has concerns about work conditions or compensation, he or she is encouraged to voice their concern openly and directly to the CEO of HRST or any member of management.

Disabled Employees

In compliance with the Americans with Disabilities Act (ADA), HRST will not discriminate in hiring, promotion, transfer, pay, training, or other job status issues against a qualified disabled person. HRST will not discriminate against persons based on their association with a disabled person. HRST will, when possible, provide a reasonable accommodation for a physical or mental limitation of an otherwise qualified applicant or employee with a disability provided that it does not pose a financial hardship to the company. In addition, employees with disabilities will be afforded equal access to all benefits and group insurance coverage provided to other employees with equivalent employment status.

HRST will administer employment programs and engage in employment practices consistent with the ADA. HRST will educate employees in manager positions as to the ADA provisions. Such training would include the definition of a disabled person, the disabilities which are and are not covered by the ADA, the definition of a qualified disabled person, essential functions of a job, reasonable accommodation, leave policies, and confidentiality issues.

Managers and Human Resources will work jointly to identify essential functions of positions and/or adjust job related qualifications where possible to allow for the employment of disabled individuals. In making hiring decisions affecting disabled individuals, management and Human Resources will work together to identify any reasonable accommodation which would allow for the employment of a disabled individual as well as the implementation of that accommodation following the acceptance of an offer of employment by a

disabled individual.

It is the responsibility of any person in a position employed with the evaluation and/or selection of staff to be knowledgeable of the provisions of ADA and to follow such provisions to the fullest extent possible. It is the responsibility of Human Resources to educate appropriate staff as to ADA and to administer employment practices consistent with ADA provisions.

Privacy Policy

The Health Insurance Portability and Accountability Act of 1996 ("HIPAA") privacy rules require an employer to guard against misuse of an individual's identifiable health information, and to limit the sharing of such information. To comply with these regulations HRST has taken the following steps:

- Designated Brenda Sirovy, Human Resource Manager to see that HIPAA privacy procedures are adopted and followed.
- Developed this HIPAA privacy policy, which limits access to health information to those employees who manage the medical program or process medical or Section 125 claims. This policy allows plan participants to see and amend their health-related records (typically this refers to claim forms and the third-party statements submitted with claim forms). This policy does not affect the plan rules for modifying elections.
- If you believe your privacy rights have been violated, you may contact Brenda Sirovy or you may complain to the Plan and to the Secretary of Health and Human Services. You will not be retaliated against for filing a complaint. To file a complaint, it must be in writing and addressed to the Benefits Department at 4400 Blue Parkway, Kansas City, MO 64130.
- Notified employees who share unauthorized health information with parties with no need to know will be disciplined, up to and including suspension or termination of employment.
- Notified affected employees of the HIPAA privacy policy through distribution of this policy.
- Developed criteria to limit requests for disclosure of health information to the minimum needed for the purpose of the request; and review each such request in accordance with those criteria. Requests for disclosure of health information may be needed for processing of claims. We must be able to determine the date the expense was incurred, for whom it was incurred, and the nature of the expense.
- Trained employees who handle health information, so they understand the privacy procedures and prevent use of that information in employment decisions.
- Secured health information so that it is not readily available to persons who do not need to see it.

Employment Classifications

In compliance with Federal Wage and Hour Laws and for the purposes of salary administration, eligibility of overtime payments and employee benefits, HRST has established two general classifications of employees. These two classifications are:

1. Nonexempt - Eligible for overtime provisions of applicable federal and state wage and hour laws.
2. Exempt – Excluded from the overtime pay provision of applicable federal and state wage and hour laws. Improper deductions for pay will not be allowed. The company will reimburse employees should improper deductions occur. Employees who have any question or concerns about this classification, should contact Human Resources.

These classifications are determined by general guidelines which have been established by the Federal Government. Each position will be classified by the Company under these guidelines.

For internal use, the Company has also designated the following classifications:

Regular, Full Time - Employees who are employed for an indefinite period, who are scheduled to work **40** hours per week.

Regular, Part Time* - Employees who are employed for an indefinite period, who are scheduled to work less than **40** hours per week.

Temporary, Full Time* - Employees who are employed on a short-term basis, usually less than one year, and are scheduled to work **40** hours per week.

Temporary/Seasonal, Part Time* - Employees who are employed on a short-term basis, usually less than one year, and are scheduled to work less than **40** hours per week.

*NOTE: Temporary employees are not eligible for Company benefits. Part-time employees may be eligible for certain benefits on a prorated basis.

Working from Home

An employee may be eligible to work remotely on certain days if their duties can be met through basic hardware and software, they've proven to be trustworthy, disciplined, and self-motivated, and have been given permission by their manager.

While working remotely, employees must adhere to all the conditions in the Employee Handbook. All company policies around conduct, confidentiality, sick leave, etc., continue to apply, regardless of location.

Employees who would like to work remotely for scheduled days or hours each week, or for a specific period of time, should submit a request, in writing, to their immediate manager. The decision is at the discretion of the immediate manager.

Job Descriptions

The Company has job descriptions for all positions. The job description explains the basic purpose and responsibilities of a job. Your job description is designed to provide a clear understanding of the job, its working relationships, minimum qualification requirements and authority in relation to other jobs. You must provide documentation demonstrating that you meet the qualifications of your job when you are hired. You will be provided job specific training related to your role and responsibilities. You and your manager should review your job description periodically and annually to be sure the description is current, and you are meeting the qualifications of your job with full competency. Job descriptions are found on the Company's Reference (R:) drive.

Organization Classification

The Company has all employees categorized with their respective job titles and departments in an Accountability Chart. This can be found on the Reference (R:) drive under the EOS folder.

Visitors

As an employee, HRST realizes that from time to time you may wish to bring family or friends into the office. While we welcome the opportunity to meet them, it is necessary to obtain prior permission from your manager. Upon obtaining permission for entry, all guests must enter through the front door for proper admittance and must be accompanied in the office at all times. Visitors, vendors, customers, and delivery people are not permitted to tour facilities unescorted. Your cooperation will facilitate safety and security for all.

Personnel Records

HRST maintains personnel files on each employee. These files contain documentation regarding all aspects of your tenure with HRST. You are responsible for providing the Company with accurate and up-to-date information on name, address, telephone number, dependents, income tax withholding, insurance beneficiaries, emergency contact, or other information that may affect your employee status. Any changes in the above should be promptly reported to Human Resources.

If you wish to review your personnel records, please contact Human Resources. Employees generally may review their personnel file once every six months with at least 7 days written request (a former employee may review their personnel file once during 12 months since separation.)

Company Service

Your period of continuous employment with HRST is defined as your "Length of Service." Length of Service may be used as a basis for PTO and may apply to other benefits. Your Length of Service will continue to accumulate unless you have a break in service through resignation, termination, or are on lay-off for a period of six (6) months or more.

Employee Transfers

From time to time, HRST may request the transfer of certain personnel from one location or department to another, or from one division of HRST to another. These cases will be discussed with the appropriate parties at the time of consideration and employment arrangements specified at that time.

Promotion from Within

Promotion from within is an important policy of HRST.

Job openings for positions below the senior management level will normally be communicated via email.

Employees are encouraged to apply for positions for which they meet the qualifications, and which match their individual career objectives. Employees must also be capable of performing the essential functions of the job, with or without a reasonable accommodation.

Promotional decisions may be based upon factors such as individual merit, qualifications, and length of service. If it is determined that no current employee is qualified to fill the job, outside hiring will be initiated. Outside hiring efforts may be initiated at the time of the job posting.

Upon assuming a new position within the Company, you must normally remain in that position for a minimum of six (6) months before applying for another internal position, unless you, your manager, and Company management mutually agree that another position, available earlier, would be beneficial to you and the Company.

Performance Appraisal Process

Your performance will be reviewed and discussed with you formally by your manager generally once a year. This is intended to be a two-way discussion. You will have an opportunity to provide feedback regarding your position and any issues or concerns you may have. It is also a time for your manager to provide feedback on your performance, attendance, or work conduct. Informal communication initiated by the manager or employee regarding performance is encouraged and should take place regularly to resolve problems, correct mistakes, provide direction and enhance ongoing employee development.

Employment Reference Checks

Human Resources will provide the following information concerning reference information on current or past employees:

1. Verification of employment status
2. Verification of position title
3. Verification of employment dates

Other questions such as address, phone number, marital status, pay day, salary and circumstances of termination will not be released without the written consent of the referenced person.

No additional information may be provided to any outside party. Managers will refer all questions for reference information to Human Resources.

Employee Communications

HRST is committed to open, frequent, and meaningful communication between all employees. This is an essential building block of a good working environment. We encourage communications within work groups and between work groups, both laterally and vertically, throughout the organization.

Notice of Reason for Termination

(Minnesota & Maine Only – other locations have no such law)

Federal law does not require employers to give an employee a reason for his or her termination. However, some states have laws that require employers to provide the reason for termination upon request. This is called a “service letter” law. Employees in these states must typically submit a written request to the employer; the employer must then provide a letter with the reason for termination within a certain time frame.

In compliance with Minnesota & Maine law, an employee who has been involuntarily terminated may, within 15 working days following such termination, request in writing that the Company inform the employee of the reason for the termination. Within 10 working days following receipt of such request, the Company shall inform the terminated employee in writing of the truthful reason for the termination. In Maine, the employee must request to the Company by certified letter.

Problem Solving Process

When people work closely together it is only natural that problems, questions, or conflict may sometimes arise. It is in the interest of the Company and all employees that these issues be resolved as quickly as possible, therefore, HRST supports an "open-door policy" to encourage addressing these issues. The following "Problem Solving Process" has been designed to provide guidelines for resolution of questions, problems, or conflicts:

- If you have a work related or personal problem that you think the Company can help you resolve, you are encouraged to discuss it with your manager. Your manager is usually in the best position to help you.
- If you do not get an answer, or you are not satisfied with the answer, the issue should be written down and presented to the manager's manager or Human Resources.
- In the unlikely situation that these steps have not resolved the issue, you may take your problem to the Director level of management or Human Resources.

It is our belief and commitment to maintain direct lines of communication and good working relationships with you. Problems arise in all workplaces and this process is designed to identify and correct those problems and issues in a timely manner.

Employment of Relatives

The Company permits the employment of qualified relatives of employees, as long as such employment does not, in the opinion of HRST, create actual or perceived conflict of interest. Unless contrary to law, relatives will not be permitted to work in the same department, nor will an employee be permitted to manage a relative. The Company will exercise sound business judgment in determining whether such employment situations pose an actual or potential conflict.

Clarification of Rates (for internal use only)

Lost opportunity

Assume an HRST employee is on site for a client and for some reason, the client is not able to use HRST's services, as intended. The client may request that HRST standby because the work may resume at any time. Hot standby shall be billed at the regular rate.

The client may release HRST to return at a specified time. If returning to the office is not economically attractive, the HRST representative may offer the client lost opportunity billing rates. Lost opportunity billing rates are appropriate when:

- The HRST representative has adequate time and facilities to use the time for other work or personal use.
- The HRST representative is not able to return home or return to the office where he could make full use of his time.

The billing rate for lost opportunity shall be the same as the billing rate for travel. Reference most recent HRST Rate Sheet.

Employee Expenses

Expense Reports

For HRST's expense reimbursement policy to be classified as an *accountable plan* under the IRS, our policy must require all employees to meet all three of the following rules:

1. They must have paid or incurred deductible expenses while performing services as your employees. The reimbursement or advance must be paid for the expense and must not be an amount that would have otherwise been paid by the employee.
2. They must substantiate these expenses to you within a reasonable period of time.
3. They must return any amounts in excess of substantiated expenses within a reasonable period of time.

Amounts paid under an accountable plan are not wages and are not subject to the withholding and payment of income, social security, Medicare, and FUTA taxes.

If the expenses covered by this arrangement are not substantiated (or amounts in excess of substantiated expenses are not returned within a reasonable period of time), the amount paid under the arrangement in excess of the substantiated expenses is treated as paid under a *nonaccountable plan*. This amount is subject to the withholding and payment of income, social security, Medicare, and FUTA taxes for the first payroll period following the end of the reasonable period of time.

HRST defines a reasonable period of time to be 60 days from the date the expense occurred.

If an employee wants to use their personal frequent flyer miles or reward points that they earned to book company travel expenses, those reimbursements are paid as bonus wages and are subject to withholding taxes at the higher federal withholding rate.

Expense reports must be completed by the employee in NetSuite and then submitted to their manager for approval. Receipts must be uploaded and attached for all expenses. Credit card statements are not sufficient receipts. All online purchases must have a receipt present which shows if sales tax was applied or not. If not, a note on the expense report needs to be present stating that item was not charged with sales tax. Once the manager has approved, the report will be submitted to accounting for payment approval. Approved expense reimbursements will be paid via Direct Deposit with the next payroll run, unless you notify accounting ahead of time and request a paper check.

M&IE Per Diem

To be consistent with IRS rules for meals and incidental expense (M&IE), we follow their allowances for breakfast, lunch, dinner, and incidentals. This applies whether or not we are reimbursed by our customers.

NOTE: If you expense a meal on your company credit card, then you cannot claim M&IE for that meal.

On the first and last day of travel, the employee may take either 75% of the M&IE amount **or** for meals provided or a purchased meal with a client on the day of departure and the last day of travel, you must deduct the entire allocated meal cost from the decreased M&IE rate.

(Example: \$79 M&IE at 75% = \$59.25. If you buy a client dinner on travel day, you deduct the entire allocated dinner cost of \$28 from the \$59.25 decreased rate, leaving you to claim \$31.25 M&IE for that day)

Continental US (CONUS):

All per diem amounts and their subsequent breakdown can be found at <http://www.gsa.gov> and click on per diem look up. There is a link to the breakdown for M&IE. For example, the M&IE total of \$79 has a breakdown of 18/20/36/5 for breakfast/lunch/dinner/and incidentals. Tips to baggage handlers or hotel maids are examples of incidentals.

Outside CONUS:

The allowable rates vary considerably, so the tables should be used.

Since on most new projects we do not provide the customer with an expense report (fixed price with expenses included), the amount we charge “ourselves” (HRST) should be fair to each other. Therefore, we recommend that the federal tables be used for all projects to be fair to those who travel to more expensive areas and to be consistent with IRS rules for less expensive areas. This amount may be expensed and charged to the client (if applicable) without receipts. If the location or the situation causes the daily meal expense to be higher, then the HRST representative shall provide receipts for actual expenses. It is acceptable to mix per diem and receipt expenses. For example, per diem may be claimed for both breakfast and lunch with the evening meal rolled into the hotel bill.

The HRST representative shall not collect per diem for any meal provided by the client or others. The exceptions are food served on an airplane or when breakfast is complimentary with lodging.

Our policy for extended international flights is as follows: When traveling West and the International Date Line (IDL) is crossed, a day will be lost on the calendar. Per diem shall not be collected for the lost day. When traveling east and the IDL is crossed again, the current calendar day will be extended. If actual travel time is less than 36 hours, claim 1 day; if it is more than 36 hours, claim 2 days.

Expensed meals

- Client reimbursed expenses, or if an employee is out of town and eating alone, or eating with a coworker, and one employee pays for both meals, it will be 100% deductible and placed under the Meals/Entertainment (project) expense category on the expense report.
- HRST training or lunch seminars for clients and business meetings, like a staff dinner or a bagel meeting are also 100% deductible but shall be placed under the Meeting expense category column on the employee expense reports.

- When an employee is eating with a coworker in town and they discuss business, or if an employee takes a client out for a meal, either in town or out of town, those expenses are only 50% deductible and shall be placed in the “Meals/Entertainment – (Non-Project)” expense category column of the expense report.

Mileage rates

Mileage rates change every year and will be posted according to what is stated on the www.irs.gov website. The mileage reimbursement rate is intended to cover the costs of operating a car for business purposes. Essentially, the IRS determines mileage rates based on the cost of fuel, maintenance, registration, and vehicle insurance.

Credit Cards

HRST will provide traveling employees with one HRST Visa Credit Card. HRST will pay the credit card bill directly, though the employee must still include all expenses on an expense report. Employee will not get reimbursed for items purchased on the HRST CC.

HRST will reimburse one annual personal credit card fee up to \$99 if this card is used primarily for travel expenses, e.g., a Delta SkyMiles Gold American Express card. You can submit this on an expense report annually showing the charge on the statement as your receipt.

Automobiles – Company Owned / Rented

Employees are expected to use a company-owned or company leased/rented vehicle for business activities. Company-owned or long-term leased vehicles are not to be used for personal activities.

HRST carries business automobile insurance to protect the company against claims arising from:

Operating and renting vehicles in foreign countries

The company’s business automobile insurance provides no coverage outside of the United States. Vehicles operated or rented in other countries are subject to the laws and compulsory insurance requirements of that country. As such, employees *must* purchase whatever insurance is required in that country at the time of rental or, if not a rented vehicle, confirm that the vehicle owner has purchased such coverage.

Bodily injury & property damage liability:

The company’s insurance is intended to protect the company against claims resulting from bodily injury and property damage to others arising from the use of automobiles for business purposes. It is not intended to cover financial loss resulting from other causes such as fines for traffic violations.

Physical damage to rented automobiles:

The company’s insurance will pay for physical damage (e.g., from fire, theft, vandalism, and collision) to automobiles rented by employees while on company business. It is therefore unnecessary to purchase physical damage insurance (comprehensive and collision coverage) on vehicles rented anywhere in the United States. Employees should decline any offers from the rental car companies to provide or waive deductibles on this coverage. In the event of any claims arising from physical damage to rented automobiles, incidents should be reported to the company for transmittal to its insurance carrier. It is required, however, that when renting automobiles for company business, employees use company credit cards if provided or, at a very minimum, designate the company’s name when making the reservation or on the rental agreement. This will help establish that the vehicles were used for company business.

Who is protected by the company's business automobile insurance?

The company's business automobile insurance protects the company and any employee who drives a company-owned vehicle for any reason or who rents an automobile on company business. It does not cover employees (as individuals) while using their own vehicles or other vehicles not owned or rented by the company. Any claims brought against the individual employee (and/or vehicle-owner) should be submitted to his/her personal automobile insurer.

Automobiles – Personal Vehicle Use, Not Company Owned / Rented

An employee may only drive their personal vehicle if the mileage reimbursement is less than or equal to the cost of airfare and car rental for that period of travel. However, with respect to the use of employees' automobiles (or other vehicles not owned by the company), employees should be aware of the scope and limitations of the company's automobile insurance coverage, as follows:

Physical damage to employees' vehicles or any other vehicles not owned by the company:

Except as provided above with respect to rented vehicles, the company's business automobile insurance does not pay for physical damage to employee's vehicles or any other vehicles which are not owned by the company, regardless of the how the vehicle is used. Claims for physical damage to employees' or other non-company-owned vehicles should be submitted to the insurance company which provides the physical damage coverage on that vehicle (i.e., to the vehicle-owner's insurance company).

If the employee or vehicle owner does not have sufficient automobile liability insurance to cover the amount awarded in the claim, the company may be called upon to pay the difference to the extent the company is found legally liable. In this instance, the company would submit the claim to its business automobile insurer. A covered claim could be paid under the company's non-owned automobile liability coverage.

The mileage reimbursement rate is intended to cover the costs of operating a car for business purposes. The costs that are contemplated by the standard mileage rate are standard maintenance, repairs, taxes, gas, insurance, and registration fees.

SALARY AND WAGE ADMINISTRATION

Work Week

The standard work week is forty (40) hours. The standard workday will be established to meet work requirements and may be changed from time to time. At present, our normal full-time work hours are 8:00 a.m. to 5 p.m., Monday through Friday. Certain departments may require different hours. Employees are required to work according to the schedule for their assigned department. Overtime may be required to meet deadlines or to accomplish objectives.

Weekly Time Sheets

All employees are required to record their time worked on a weekly time sheet in NetSuite. Hours should be charged to appropriate projects and project tasks.

Pay Periods

Employees are paid bi-weekly for hours worked in the previous two weeks.

Your paychecks will be directly deposited into your bank account(s) provided. This will ensure that you receive your pay on time, even if you are out of the office. After you give your bank account information to the HR department, it may take up to a week to get approvals set up. Therefore, you may receive a paper check for your first payday. You are able to view your paystubs in your Employee Center within NetSuite. It is encouraged you view your paystubs regularly. If you think an error has been made on your check, notify Human Resources immediately.

Paper paychecks may be obtained only on the official day of distribution.

Deductions

There are two kinds of salary deductions; those required by law and those authorized by you. Each pay stub lists deductions for that pay period:

Legally required:

- Federal income tax withholding
- State income tax withholding
- Social Security & Medicare taxes – also known as FICA taxes
- Local tax withholdings such as city or county taxes, state disability or unemployment insurance
- Court ordered garnishments
- Court ordered child support
- Spousal Maintenance Payments

Voluntary (example):

- Medical insurances
- HSA (Health Savings Account)
- Other miscellaneous voluntary deductions, such as: 401K, Spouse Cell Phone, PTO Buy Plan

Breaks

Two fifteen (15) minute paid breaks are allowed during the workday. These breaks and scheduling are to be used at your discretion using your best judgement of company's time.

Full-time employees will be allowed a meal period of one hour near the middle of each workday. This will be unpaid time.

Managers are responsible for balancing workloads and scheduling breaks within departments and offices to ensure someone is around to field customer calls.

Overtime

The Company may schedule work in addition to the standard workday or workweek. Overtime, at the rate of one and one-half (1-1/2) times the base rate shall be paid to non-exempt employees for all hours worked in excess of forty in a standard work week. For purposes of overtime, holidays, vacation, and sick/personal days, do not count toward the calculation of overtime.

Non-exempt employees may not work overtime without advanced authorization of their manager. All operating rules and regulations applicable to the standard workday are also in effect for scheduled overtime, either voluntary or required.

Comp Time / ST-OT Comp Time

EXEMPT EMPLOYEES ONLY – if you travel, perform field work, or are directed to perform work in the office by your immediate manager on a weekend or HRST holiday, you may claim:

1. Eight (8) hours of comp time for travel, field work at the client jobsite, field standby, or office work as directed by your immediate manager, OR
2. If job is billed T&M; One (1) hour of comp time for each hour of field work at the client jobsite.

If you perform field work on a regular workday for a T&M billed job, you will receive straight time-overtime comp time for hours worked after 10 hours. Customer timesheets must be presented to Human Resources manager to receive.

Intent behind policy: Fixed price projects such as inspections, analysis and products all try to answer a question or solve a problem. HRST does better when we are able to provide those answers with as few hours as possible. For T&M field work, our time is essentially the deliverable and HRST cannot improve efficiency. When the job is billed T&M, we are required to submit timesheets to the customer and bill them for each hour on the jobsite which offers a check on the hours submitted.

It is expected that office work earning comp time would be rare. Someone who does not manage their workload effectively and gets themselves in a time crunch, would not get comp time for weekend work.

Major Holiday Incentive Pay

An incentive of \$300 per day shall be paid for travel or onsite work on any of these days: Christmas Eve, Christmas Day, Thanksgiving, and the Friday after Thanksgiving.

Salary Determination

The Company will generally compensate employees based on Company and general economic conditions, competitive market practices, employee performance, and other factors. The Company will review employees periodically for salary purposes, and each employee will normally be eligible for a salary review on an annual basis. However, there are no guarantees of compensation levels or increases.

EMPLOYMENT BENEFITS

The employment benefits enumerated in this section are offered at HRST's sole discretion to eligible employees. The enumeration of these benefits should not be construed as a declaration of entitlement to the benefits described as the benefits set forth below may be changed from time to time. HRST reserves the right to change, delete, modify, or otherwise revise employee benefits, premium amounts, eligibility requirements and/or administrative procedures regarding benefits at any time and in its sole discretion with or without prior notice to employees unless otherwise prescribed by law. Unless otherwise specified by the language of a particular provision, employees who regularly work less than 40 hours per week and temporary employees are not entitled to HRST benefits.

Provisions describing various plans and insurance policies are for information only. In all instances the actual plan or policy language controls.

Personal Paid Time Off (PTO)

Personal time off (PTO) shall include unscheduled time off, such as sick leave and personal business, as well as scheduled time off (vacation). PTO with pay is available to employees to provide opportunities for rest, relaxation, and personal pursuits. Employees may exercise vacation benefits at any time based on the discretion of HRST. To do so, you must submit your request for time off through your employee portal in NetSuite.

PTO hours will be accumulated in a prorated amount each pay period based on length of service:

Years of Service	PTO Accumulation
0-14	18 days (144 hours)
15	20 days (160 hours)
16	21 days (168 hours)
17	22 days (176 hours)
18	23 days (184 hours)
19	24 days (192 hours)
20 (max)	25 days (200 hours)

Employees may find they need time away from work prior to accruing the hour's necessary, in such cases, an employee may build up a negative balance of up to 40 hours with prior manager approval. It is to be understood, employee will work the negative PTO off over time through accrual. If further time away is required, HRST may grant an unpaid leave of absence. See our policy on "Leave of Absence".

If approved negative balance is not accrued by the end of a calendar year, the negative balance will be recouped from year-end bonus payout if one is awarded. If no year-end bonus is awarded, the negative balance will be carried over to next year and offset by any accrual of the new year's PTO. If employee is terminated/resigned, he/she may be asked to repay Company any negative balance.

"Horse-trading" your PTO with hours worked, may only be done on the day before, day of, or the day after and must be agreed upon by your manager.

For example, if you want to work only 7 hours one day, you will have to work 9 hours during the above said time. If not, it will result in an hour loss of PTO.

PTO is recorded in NetSuite, which you can view in your Employee Center. A calendar record of used and accumulated PTO is available in NetSuite viewing the search "My Time-Off Balance Details".

PTO Buy/Sell Plan

- The PTO Buy Plan allows you to purchase additional vacation time on an after-tax basis and spread the cost of doing so over the calendar year Enrollment period. Enrollment in the PTO Buy Plan is optional and must be submitted within the two weeks prior to the calendar year beginning.
- The PTO Sell Plan allows you to sell excess vacation time on an after-tax basis. You can do this at any time throughout the year.

All regular full-time and regular part-time employees who accrue PTO at HRST are eligible for these plans. However, in order to be eligible to sell PTO, you must be current on your timesheets and retain a minimum balance of 40 hours. Please see Human Resources for full plan documents.

At the end of a calendar year, employees will carry over unused PTO balances under 40 hours. Hours over 40 will be paid out to employee and taxed at the higher federal rate. By special request, an employee may carry over up to 80 hours.

Holidays

It is the policy of HRST to recognize certain designated days throughout the year as paid holidays. A total of eight days per calendar year are provided, including the following:

Memorial Day, Independence Day, Labor Day, Thanksgiving Day & Day After,
Christmas Eve & Christmas Day, New Year's Day

Other holidays may be included at the discretion of the CEO of HRST.

If a holiday falls on a Saturday or Sunday, HRST shall have the option of observing the holiday on the preceding Friday or following Monday. This will be decided by the company and communicated accordingly through email and on the NetSuite calendar.

If a holiday occurs during your PTO/vacation period, you will receive holiday pay instead of PTO pay for the observed holiday. The vacation day can either be added on to the vacation period or taken at a later date. You must work the regular work schedule prior to and after your PTO period to qualify for holiday pay during a vacation period.

Part-Timer's Holiday Pay: If the holiday falls on your regularly scheduled workday, you will claim Holiday pay for your regularly worked hours. If the holiday falls on a day you are not normally scheduled to work, you will claim Holiday pay at a prorated amount.

Example: If you regularly work 32 hours/week, your prorated holiday pay would be 6.4 hours
If you regularly work 24 hours/week, your prorated holiday pay would be 4.8 hours

General Insurance Information

This description is meant to be a summary only. The separate plan documents explain each benefit in more detail and the various benefits are controlled by the language of the plan documents. This summary highlights those benefits currently in effect. However, benefits may be modified, added, or terminated at any time, at the Company's discretion, or by the insurance company.

We feel confident that our programs provide you and your family with significant benefits and are a valuable part of your total compensation package. If you have further questions pertaining to the insurance plans available, please see the Human Resource Representative for details.

Cobra-Health Insurance Continuation

"COBRA" is the acronym for the Consolidated Omnibus Budget Reconciliation Act of 1985. Among other provisions, COBRA provides eligible employees and certain family members the right to continue health care coverage under their employers' group health plans. The right to continue your coverage at these rates will arise when specific events occur that would normally result in the loss of your coverage. Such events include your resignation, termination or death, or a reduction in your hours so as to cause you to lose your coverage. Additional information on COBRA benefits is available through the Human Resources Department.

Health Insurance

Health insurance is available for all regular full-time employees and their dependents. For details on the coverage and costs, refer to the plan description and separate communications.

Long-Term Disability Insurance

Long-term disability insurance is provided for regular, full-time employees by the Company. Please consult your copy of the plan description and separate communications for details and costs.

Life Insurance

If you are a regular, full-time employee, you are covered at full company expense for individual life insurance. See the plan description and separate communication for additional information.

Travel and Accident Insurance

The Company paid Travel and Accident policy provides coverage for employees while traveling on Company business on commercial aircraft, as well as other methods of transportation. Consult the plan description and separate communications for additional information.

Leave of Absence

HRST may grant an unpaid leave of absence if justified by illness, accident, or compelling personal reasons, or as required by law. When a leave of absence is granted, it usually is on the premise that regular employment will resume when the absence is no longer required. Other than leaves required by law, a leave of absence is a privilege, not a right, and is granted at the discretion of management.

All leaves of absence must be discussed with and approved by the Human Resource manager. Forms for requesting a leave of absence are available from the Human Resources Department. When possible, advance notice of a leave should be provided to your manager and the Human Resources Department so work schedules can be adjusted accordingly.

The following Leaves of Absence are currently observed by HRST. The leaves of absence are unpaid unless otherwise indicated in the Policy.

Parental Leave

Employees are eligible for parental leave before and after the birth or adoption of a child. The FMLA offers eligible employees 12 weeks of unpaid leave per year, with reinstatement rights, in various circumstances. These include incapacity due to pregnancy, birth of a child and caring for a newborn. Employees are eligible if they have completed at least 1,250 hours of work in the previous year.

California: Eligible employees may use the California State Disability Insurance for Paternal Leave. SDI pays out 60-70% of wages, up to \$1300 per week, for an 8-week duration.

Florida/Maine/Maryland/Minnesota/Texas/Colorado: Employees may be eligible to use their Short-Term Disability if they carry the coverage and meet requirements. HRST's STD plan covers 60% of weekly income, up to \$1600 per week for a 12-week duration.

Employees are not required to substitute accrued PTO during any portion of their leave but can choose to do so. And with prior manager approval, may use accrued PTO to extend their 12-week duration. Employee must provide the Human Resources manager with at least 30 days' notice, or as soon as practical. Proper Leave of Absence forms will be provided by Human Resources.

During the duration of leave, HRST will continue employee benefits, however, the employee must reimburse HRST for its portion of responsible premiums.

Note: There are some states that are looking at or in the process of adopting Paid Family Leave. We will update our policy as new information becomes available.

School Conferences and Sick Children

Parents of school-aged children will be provided unpaid leave during any 12-month period to attend school conferences or school related activities related to an employee's child, provided the conferences or school related activities cannot be scheduled during non-work hours. If the employee's child receives childcare services or attends a pre-kindergarten program, the employee may use the leave provided to attend a conference or activity related to the employee's child, or to observe and monitor the services or program, provided the conference, activity, or observation cannot be scheduled during non-work hours. The employee may use any available PTO for this purpose. The employee should notify his/her immediate manager as far in advance as possible when time off is needed.

Florida/Maine/Maryland/Minnesota/Texas: Up to 16 hours of unpaid leave must be provided.

California: Up to 40 hours of unpaid leave, but no more than 8 hours per month, must be provided if Company has 25 or more employees at the same location to be subject to this act.

Colorado: Up to 6 hours of unpaid leave in any month (up to 18 in a school year).

Employees may use their PTO. The use of PTO to take care of a child who is ill must be used in the same manner as the employee would use PTO for his/her own illness.

Bone Marrow Leave

Employees who work an average of 20 or more hours per week are entitled to a paid leave of up to 40 hours for the employee to undergo a medical procedure to donate bone marrow. For further detail regarding this leave, contact Human Resources.

Election Voting

On officially designated election days, for national general election or elections of members of U.S. Congress, employees will be allowed two hours of paid time off to vote at the beginning or end of their shift. If they are unable to schedule time outside of normal work hours. However, employees are encouraged to vote before or after normal working hours. Prior manager notification is required.

Bereavement Leave

HRST grants all employees paid leave of absence in the event of a death in his or her immediate family. Immediate family is considered a spouse, child or stepchild, parent or stepparent, parent-in-law, legal guardian, brother, sister, grandparent, grandchild, aunt, uncle, niece, or nephew. Up to three (3) days of leave will be provided as required to support the employee.

Pet Bereavement Leave

HRST grants all employees one day of paid leave of absence in the event of death of his or her pet.

Jury Duty Leave

HRST recognizes that jury duty is a civic responsibility of our employees. The company will provide 5 days of paid leave when an employee must serve on a jury. At the end of the 5 days, you may use your accumulated PTO if you wish to continue to be paid while on jury duty or take the time as an unpaid leave of absence.

In no case will your employment be affected if you perform jury duty. If you report for jury duty and are dismissed, you will be expected to report for work for the remainder of each day on which this occurs.

Additionally, you will be expected to sign over to the Company any paycheck you receive from the courts for the first 5 days you serve on a jury, to offset the fact you are getting paid by HRST for those days. If you serve longer than 5 days, you can keep any pay provided by the courts.

Military Leave

All regular full-time employees serving on military duty with a reserve component of the U.S. Armed Forces, or the National Guard are eligible for a paid Military Leave. Employees are eligible for up to fifteen (15) paid days per year for Military Leave, with advance approval from your manager. Compensation will be the difference between the military pay and the employee's regular pay.

An employee desiring a military leave should request it orally of his/her immediate manager. The manager will then initiate the necessary paperwork and submit it to Human Resources for approval.

Upon honorable discharge or release from active duty, the employee will be returned to their same position, if possible. If the position has been filled, a position of like seniority, status and pay may be offered as long as active duty does not exceed five (5) years and the employee is qualified for the position.

Civil Air Patrol Leave

Unless the leave will unduly disrupt its operations, HRST will grant an unpaid leave of absence to employees for time spent rendering service as a member of the Civil Air Patrol on the request and authority of the State of Minnesota.

Employee Assistance Program

Employees seeking assistance with a substance abuse problem may contact Human Resources for referrals to agencies in our area and community organizations. Everything discussed is held in confidentiality.

Section 125 Plan

All regular full-time employees (except owners and officers with 2% and greater share of the Company) are eligible to enroll in the Section 125 Plan through the Company. The Flex 125 plan is a way for employees to pay certain expenses with pre-taxed dollars through payroll reductions. Two categories of expenses are eligible for this plan:

1. Premiums you pay for insurance through your employer
2. Health Savings Account (HSA) as a participant in the HSA qualifying High Deductible Health Plan (HDHP.)

This is a great way to save tax dollars for those expenses you normally cannot itemize on your tax return. There is no cost to the employee for the administrative fees. The Company provides this as a benefit to all eligible employees.

Employee Stock Ownership Plan (ESOP)

HRST has an established Employee Stock Ownership Plan which is designed to afford to all eligible employees the opportunity to share in the Company's economic success by providing you with an ownership interest in the Company. Human Resources will provide you with the Plan Summary which provides further details and eligibility requirements.

401(k)

The HRST 401(k) plan has been adopted to provide you with the opportunity to save for retirement on a tax-advantaged basis. As a participant under the Plan, you may elect to contribute a portion of your compensation to the plan. Human Resources will provide you with the Plan Summary which provides further details and eligibility requirements.

- As the time of this revision, HRST will match 50% for the first 6%-of-salary that an employee contributes to the Plan.
- The matching rate is subject to change (up or down) at the discretion of the Board of Directors.

Cell Phone

HRST provides a company paid cell phone plan for those employees who travel on business. Your manager and the IT department will determine if you qualify to be on the Company's cell phone plan.

GUIDELINES FOR PERSONAL CONDUCT

Rules of Conduct

It is HRST's philosophy to respect the rights and properties of fellow employees and the company as a whole. As such employees are expected to maintain professional conduct. The following is a list of types of behavior that is unacceptable:

- Threatening, harassing, coercive, or abusive language or behavior to employees, customers, or vendors
- Not following reasonable work requests
- Fighting on premises
- Falsification of personnel or company records
- Possession of firearms or other weapons on premises
- Use, possession, sale, or transfers of any illegal substances
- Dishonesty or theft
- Disclosure of HRST's confidential information or any other action harmful to HRST's business or reputation
- Unauthorized removal or possession of company property

While this list is not exhaustive, it is intended as a guideline for those types of behaviors, which will result in disciplinary action, up to and including termination of employment.

Employee Social Responsibility

Each HRST employee is expected to show discretion, exercise prudent judgment, and maintain personal integrity while performing on the job. Management will not solicit any employee to participate in unlawful activity nor will they condone the activities of any employee acting alone or in collaboration with another employee in performing unlawful or unethical deeds. Employees are expected to report any such activity either to their manager or Human Resources. Furthermore, employees should know that in compliance with the "Whistle Blower" statute laws set forth in all our operating states, the company will not discharge, discipline, threaten, penalize, or otherwise discriminate against an employee because:

- The employee or person acting on behalf of the employee, in good faith reports a violation or suspected violation of any federal or state law, or rule adopted pursuant to law, either to the employer or to any government body or law enforcement official; or
- The employee is requested by a public body or office to participate in an investigation, hearing, or inquiry. Employees are expected to report any such investigation, hearing, or inquiry to Human Resources; or
- The employee refuses to participate in any activity that the employee in good faith, believes violated any state or federal law, or rule or regulation adopted pursuant to law.

If further information on this statute is desired, please contact the Human Resources manager.

Confidential Information

It is the policy of the Company that certain information be held in confidence. We want to ensure that proprietary information or information that may give the Company competitive advantage be held in strict confidence. Employees must handle confidential information with great care. Failure to do so may result in disciplinary action and/or termination of employment. Termination of employment does not change your obligation.

Confidential information pertains to all knowledge and information which the employee may acquire in the course of employment which relates to the business, developments, activities, products and services, or to the financial affairs of the Company and to any individual or firm doing business with the Company, including, but not limited to: trade secrets, customer lists, customer information, costs and selling prices, payment and credit information, customer profiles and analysis, prospect tracking recording, financial information, such as purchasing, sales, earnings and profits, budget and audit reports, financial statements, budget and financial plans, costing, pricing, billing information, tax data, sales and marketing information, business strategies and plans, technical information including software, product/product development information; personnel information such as salaries, benefits, bonuses, employment histories; shareholder and stock data; and any discoveries, inventions, ideas, methods, products, equipment, developments, improvements or programs which the Company holds confidential and have not been publicly disclosed. In addition to the above, any information marked "confidential" by the Company will be deemed to be covered under this policy.

Employees will be asked to sign a statement of confidentiality at the time of hire and periodically throughout their term of employment to acknowledge their awareness of, and reaffirm their commitment to, this policy.

This policy applies also to any information obtained from clients or customers of HRST.

No Harassment Policy

It is HRST's policy that harassment, including but not limited to sexual harassment and offensive behavior of employees is prohibited. Any employee found to have acted in violation of this policy will be subject to appropriate disciplinary action, which may include immediate termination.

Employees should understand that this policy applies to each and every member and employee of HRST, including the owners and management, all full-time, part-time, and temporary employees, and any individuals who provide services to HRST under a contract.

"Sexual harassment" includes unwelcome sexual advances, requests for sexual favors, sexually motivated physical contact or other verbal or physical conduct or communication of a sexual nature when:

- Submission to the undesirable conduct or communication is made a term or condition, either explicitly or implicitly, of an individual's employment.
- Submission to or rejection of that conduct or communication by an individual is used as a factor in decisions affecting that individual's employment.
- That conduct or communication has the purpose or effect of substantially interfering with an individual's employment or creates an intimidating, hostile, or offensive work environment; and the employer knows or should know of the existence of the harassment and fails to make timely and appropriate action; or

- Such conduct or communication occurred because of the sex of the victim even though it is not clearly sexual in nature or an explicit sexual advance.

Conduct prohibited by this policy may include, but is not limited to, unwanted sexual comments, compliments, flirtations, advances, or jokes; sexual suggestions or remarks about a person's clothing, body, or sexual activity; unwanted and unnecessary touching, brushing against, patting, or pinching; requests for sexual favors; unwelcome and repeated invitations to social engagements or other activities; display in the workplace of sexually suggestive pictures, cartoons, or objects; any indication or threat, express or implied, that an employee's job security, job assignment, conditions of employment, or opportunities for advancement may depend on the granting of sexual favors; conduct, whether deliberate or careless, which creates an intimidating, hostile or offensive work environment interfering with an employee's work.

Reporting and Investigating

All allegations of sexual harassment or offensive behavior will be investigated promptly, and completely. The facts shall determine the response to each complaint. Each situation will be handled as discreetly as possible. Resolutions of complaints can include, but are not necessarily limited to, an apology, direction to stop the offensive behavior, counseling or training, warning, suspension with or without pay, or termination. In the event that the sexual harassment or offensive behavior occurs it should immediately be reported to your manager, Human Resources, or any member of management.

Any knowledge about or claims of a violation of this policy must be reported to Human Resources. Any claims of sexual harassment or violations of this policy will be reported to and investigated by the appropriate managerial person unless another individual is deemed more appropriate. The investigation may be conducted by a third party designated by HRST who is knowledgeable in conducting such investigations. If the facts appear to support the allegations of sexual harassment or offensive behavior, disciplinary action up to and including immediate termination may result. All reports of violation of this policy will be handled as confidentially as possible by HRST.

This policy also prohibits retaliation against employees who bring sexual harassment/offensive behavior complaints or assists in investigating such complaints. No retaliation or intimidation directed towards anyone who makes a complaint will be tolerated. However, any employee found to have knowingly or intentionally made a false complaint of a violation of this policy or found to have knowingly given false information during an investigation of such a complaint may also be subject to disciplinary action, up to and including termination of employment.

Employees with manager responsibilities will be evaluated on their adherence to this policy, their monitoring of employees under their supervision and their resolution of complaints and problems.

Consensual Relationship

Consenting or voluntary romantic and sexual relationships between coworkers or a manager and employee, while not forbidden, are considered by management as unwise and having the potential for charges of sexual harassment. A charge of sexual harassment arising out of such a relationship will be investigated under these policies and procedures in the same manner as any other charge.

Importance of Communication

Individuals are often not aware of the offensive nature of their behavior. Also, the workplace is composed of individuals who have varying levels of sensitivity. Respect for coworkers and effective communication are necessary elements in achieving the goals of a workplace free from harassment.

Types of Other Discrimination or Harassment

This policy and the procedures for reporting complaints apply to all types of perceived harassment or discrimination and should be utilized for any complaints of that nature.

Drug Free Workplace

HRST strives to maintain a zero tolerance for drug and alcohol abuse in the workplace. The manufacture, distribution, disbursement, possession, or use of controlled substances or alcohol on company premises, at company worksites, in company vehicles, or during working hours is prohibited. Disciplinary action, up to and including suspension or termination of employment will be taken against employees who violate this policy. HRST reserves the right to conduct individual testing based on:

- Pre-employment
- Periodic physical examination
- Client request
- Reasonable cause
- Post-incident
- Post-treatment program

In addition, employees will be required to meet HRST clients' drug and alcohol testing requirements, some of which may include "random" testing. Nevertheless, moderate use of alcohol may be approved when a business or social situation dictates the appropriateness of alcohol at HRST sponsored or approved events.

While the Company has no intention of intruding into the private lives of its employees, the Company recognizes that employee off-the-job, as well as on-the-job, involvement with drugs and alcohol can have an impact on the workplace and the ability of the employee to perform his or her job. Employees who request assistance in dealing with a personal drug or alcohol problem may contact HR for assistance.

Again, our goal is to continue to maintain a working environment that is free from the effects of alcohol and drug abuse. We solicit your participation and encourage your suggestions concerning this policy.

See HR for the complete Drug & Alcohol Testing Policy. Complying with this policy is a condition of employment.

Smoking

To maintain a safe and comfortable working environment and to ensure compliance with applicable laws, smoking is not permitted in the building except in selected outdoor areas which are allowed by law. If you are unsure of your state's laws, please contact Human Resources. Because the Company is subject to criminal and civil penalties for violations of applicable smoking laws, we must insist on strict adherence to this policy. Employees smoking in any nonsmoking area may be subject to disciplinary action, up to and including termination of employment.

Health, Safety and Environment

HRST seeks to provide a safe and healthful work environment for all employees. Safety in the workplace depends on the personal commitment of each employee. You are expected to correct or report to your manager any unsafe conditions you encounter in the office or on a job site, and you are required to comply with any safety procedures established by the Company or Customer. All employees who go into the field receive a safety manual which must be signed and returned to the Safety Manager.

Some clients require additional safety training or site-specific safety training classes which must be completed before beginning work on site. These training classes can sometimes be done on location, online, or at a safety training location near the site.

In addition, protecting Company property is the responsibility of all employees. All equipment, boxes, doors, files, desks, gates, and other equipment with locks are to be kept locked or secured when not in direct use and at the end of each day. They are also to be checked regularly. Lost keys must be reported to the office immediately. Any concerns about security should be directed to your manager.

Violence in the Workplace

HRST endeavors to provide a safe workplace for all employees. All employees should review and understand all provisions of this workplace violence policy to ensure a safe workplace and to reduce the risk of violence.

Prohibited Conduct

HRST does not tolerate any type of workplace violence committed by or against employees. Employees are prohibited from making threats or engaging in violent activities. This list of behaviors, while not inclusive, provides examples of conduct that is prohibited.

1. Causing physical injury to another person
2. Hitting or shoving an individual while at work.
3. Making threatening remarks.
4. Aggressive or hostile behavior that creates a reasonable fear of injury to another person or subjects another individual to emotional distress.
5. Intentionally damaging employer property or property of another employee.
6. Possession of a weapon while in company property (not including a company parking lot) or while on company business.
7. Committing acts motivated by, or related to, harassment of any kind, surveillance or stalking, or domestic violence.

Reporting Procedures

Any potentially dangerous situations must be reported immediately to a manager or the Human Resources manager. Reports can be made anonymously, and all reported incidents will be investigated. Reports or incidents warranting confidentiality will be handled appropriately and information will be disclosed to others only on a need-to-know basis. All parties involved in a situation will be counseled and the results of investigations will be discussed with them. The Company will actively intervene at any indication of a possibly hostile or violent situation.

Injury at Work

If you are injured while at work or arising out of and in the course of employment, all employees must report the injury or illness, no matter how small, immediately, or as soon as possible your manager or Human Resources.

Outside Employment

Occasionally, employees may wish to perform outside work for another employer. Employees may hold outside jobs after working hours or actively participate in an outside business under certain circumstances. Employees are prohibited, however, from engaging in employment with another organization that may: harm the Company's good image; endanger Company interests; involve a business which competes with a product, process, or service of the Company; concern a customer of the Company; or otherwise interfere with their work with the Company. HRST reserves the right to review any outside employment held by an employee and may request the employee to terminate the outside employment. Employees who violate this rule may be subject to disciplinary action, up to and including suspension or termination of employment.

Duplication of PC Software

While employed by HRST, no employee, agent, contractor, or consultant shall duplicate, distribute, rent, sublicense, lease, alter, or in any way translate, compile, or disassemble personal computer software owned, leased, or licensed by the Company without written authorization from HRST.

Given the serious nature of unauthorized duplication, any employee who is found to be duplicating, distributing, renting, sublicensing, leasing, altering, or in any way translating, decompiling, or disassembling personal computer software without authorization while employed by the Company shall be subject to disciplinary action including termination. This prohibition includes making additional copies for use on other personal computers within the Company, unless authorized. Since this is an area of growing importance, please contact Human Resources if you have any question about using any particular PC, computer, or software, and the applicability of this policy.

Information Technology

While it is not currently the policy to monitor use of computer resources on a continuous basis, use of the Company's computer resources may be monitored at any time. Accordingly, users of the Company's computer resources should have no expectation of privacy in the use of these resources. The Company will monitor use of its computer resources when there is a legitimate business need to do so.

Information the Company has on its Systems is confidential, and employees' access rights should be changed or deleted when their employment status changes.

Access to computer rooms, Information Technology inventory, network and phone closets, and other physical assets which make up the Company's Information Systems, will be restricted to employees requiring access for business purposes.

Keys, access codes, and other methods of entering secured computing facilities will be managed by the IT Department. Duplication of keys, dissemination of codes, posting confidential information on an accessible location or otherwise sharing access information with unauthorized individuals is a violation of this policy.

Users and Passwords

Each individual shall have his or her own unique ID and password (dependent upon system package restrictions). An ID shall be employed with one and only one individual throughout its existence. It must not be reassigned to or reused by another individual. Computer and communication system access control must be achieved via passwords that are owned and maintained by each individual user. Access control to files, databases, computers, and other system resources via shared passwords is prohibited.

Individuals shall not generally share their passwords with another individual. If users have a legitimate business reason to share their ID and password, it can be done on a limited basis. Be careful when sharing this information, as users may be held responsible for any and all activities originating from their account.

Passwords must not be displayed or be otherwise accessible to others. They must be guarded and treated as private and confidential. If they are written down, they must be kept in a safe place, much like a house key or ATM PIN number.

Individuals are responsible for changing passwords immediately if their passwords are suspected of being disclosed or known to have been disclosed to anyone else.

Personal Telephone Usage

The telephone system is an important communication vehicle for HRST. To ensure open and available telephone lines for our customers and the business community, we request that all personal calls be limited to 3 minutes, and be of an essential nature, not social.

Voicemail, Email, and Internet Usage

HRST's computers, intranet and internet networks, electronic mail, voice mail and phone/fax systems should be used only for conducting HRST business. Incidental and occasional personal use of these resources is permitted, but information and messages stored and transported by these systems have no guarantee of privacy. The following defines appropriate and proper use of the information HRST uses to conduct business, and its communication systems, software, networks, and hardware.

General

HRST information and electronic resources are to be used solely for HRST business, not to satisfy curiosity or for personal gain, nor for the direct or indirect gain of other companies or individuals.

Extended non-business use of these resources may be authorized by managers for projects related to company-sponsored education and training, or for community support.

All of HRST's policies on Harassment and Solicitation apply to all forms of communications and use of company owned equipment.

Sexually explicit or obscene messages, graphics, or data stored or communicated on HRST equipment or in the workplace simply do not belong at HRST and will be viewed as a clear violation of corporate policy.

Employees learning of any misuse of software or related documentation within the company shall notify HRST management.

Internet/Intranet

Legitimate business need and ongoing appropriate use of the Internet or Intranet will be determined using the following standards:

Appropriate Use of the Internet or Intranet:

- Research and/or gathering of professional information
- Periodic updates of HRST information or news
- Learning about the Internet itself, or our competitors' presence on the Internet.
- Exchange of software specifically required to serve a HRST business need.
- To provide appropriate information to customers, vendors, or business partners.
- Specifically approved marketing or sales purposes.
- Other specific job-related needs approved by management.

Inappropriate Use of the Internet:

- For amusement, shopping, or personal curiosity.
- Anything for personal profit or gain
- Viewing, listening to, or downloading obscene or other offensive materials.
- Downloading viruses, games, illegal software, or "shareware" that serves no specific HRST business need.
- Creation of unauthorized Web pages, bulletin boards or other Internet media.
- Breaking into protected Web pages, bulletin boards, or networks.
- Anything that significantly affects HRST network performance or availability.
- Communication of any kind that may be offensive or is in violation of the law.
- Communication of any kind that speaks poorly of the Company, its competitors or any other person or group.
- Use of personal on-line services accounts from company equipment. For Example, using Internet access to plan a personal vacation, or setting up a personal Intranet Web page to exchange jokes or gossip with colleagues.

Email, Voicemail, and Phone/Fax Systems

Determining ongoing appropriate use of electronic mail, voice mail and phone systems will be accomplished by using the following standards:

Appropriate use of electronic mail, voice mail and phone/fax systems:

- Communicating, transmitting, and storing conversations or information relating to HRST and its business activities
- Broadcasting authorized, meaningful information to groups within the Corporation
- Incidental and occasional personal use within the Corporation, and to the outside.

Inappropriate use of electronic mail, voice mail and phone/fax systems:

- Extensive personal use that detracts from job performance.
- Communicating or storing highly confidential information
- Sending, viewing, listening to, or storing obscene, offensive, or harassing messages or information of any kind.
- Anything for personal profit or gain.

- Communication of any kind that is in violation of the law.
- Extensive personal use of electronic mail messages from HRST Electronic Mail Systems.
- Attaching of games, viruses, obscene or offensive graphics or illegal software to electronic mail messages.
- Originating or passing along “chain letters.”
- Activity that adversely affects the performance or availability of these systems
- Communication of any kind that speaks poorly of the Company, its competitors or any other person or group. For example: sending personal and private notes to a loved one via e-mail, making numerous phone calls to run a personal business, or faxing political messages to a large group.

Tardiness and Absenteeism

HRST expects all employees to assume diligent responsibility for their attendance and promptness. Recognizing, however, that illness and injuries may occur, HRST has established PTO and long-term disability benefits plans to compensate for full-time regular employees for certain time lost for legitimate medical reasons. (Please see appropriate sections of this handbook for info regarding these benefits).

If you are going to be late, or unable to report for work as scheduled, you must directly contact your manager as soon as possible prior to the beginning of the workday. Repeated tardiness or absenteeism without good reason will be subject to disciplinary action, up to and including suspension or termination of employment.

Employees who are absent from work for three consecutive days or more due to injury or illness may be required to provide the Company with a medical certification regarding “fitness for duty,” as well as employees who are absent in other situations where the Company deems a “fitness for duty” certification to be appropriate. A copy of the “FITNESS TO RETURN TO WORK: CERTIFICATION” form is attached. The Company also reserves the right to require you to be examined by a Company-designated physician regarding your ability to return to work.

Severe Weather

HRST’s general policy is to be open for business on each scheduled workday of the year. The Company, however, encourages its employees to use good judgment and not risk their personal safety by reporting for work during hazardous weather. In the event of severe weather, the CEO, Human Resources, or Regional Manager is authorized to close the workplace for part or all of the day on those rare occasions when bad weather makes travel impossible. The decision to close will be at the complete discretion of management. If an employee is unable to make it to work, unable to work remotely, and the workplace is officially open, the time missed will be considered unpaid time off or the employee uses earned PTO.

During periods of bad weather, it is the responsibility of each employee to contact their manager or work location to determine whether the workplace has been declared closed for all or part of the day. If the employee will be unable to make it to work, despite the fact that the workplace is open, it is the responsibility of the employee to so inform the Company prior to the start of the workday.

Discipline

Disciplinary action may be handled in any manner deemed appropriate by HRST. This may include, but is not limited to, the following:

Termination - An employee may be terminated from employment as a first or last disciplinary step.

Employee Warning - An employee may receive an oral or written warning from his/her manager, or Human Resources manager to rectify behavior which requires disciplinary action.

Suspension - An employee may be suspended by his/her manager or the Human Resources manager when the employee's behavior warrants such disciplinary action.

HRST retains the sole discretion to determine what behavior warrants disciplinary action and what type of disciplinary action will be imposed. HRST reserves the right to terminate employees at any time for any reason that does not violate local, state, or federal laws, with or without notice and with or without cause and with or without prior resort to other means of discipline.

Personal Appearance

Maintaining a professional, business-like appearance is important to the success of the Company. The image this Company projects must demonstrate that it is the most professional, productive, thorough, and reliable provider of service in its chosen markets. Appearance is a major element of this Company's image. To this end, it is the policy of the Company that an employee's dress and grooming should be, in the Company's opinion, appropriate to the employee's work situation.

Termination of Employment

HRST employees are employed at-will, and in the absence of any express written agreement, are free to resign at any time, without notice and with or without cause. HRST reserves the right to terminate employment for any reason, without notice and with or without cause.

Employees desiring to terminate their employment relationship with HRST are urged to give at least two weeks' notice in advance of their intent to resign. Such notice should be in writing and be given to your manager or Human Resources. Proper notice allows the Company sufficient time to respond to the needs of all involved: the employee, the organization, and customers/clients.

If any Company property in your possession has been lost or damaged, or if you have an outstanding travel advance or other expense, you will be responsible for reimbursing the Company upon your last day of employment.

Exit Interview

A confidential exit interview will be conducted with employees during the last week of their employment with HRST. This interview will be conducted by the Human Resources manager.

ACKNOWLEDGEMENT AND RECEIPT OF EMPLOYEE HANDBOOK

THIS IS TO ACKNOWLEDGE that I have received a copy of the Employee Handbook ("the Handbook") with the revision date **12/28/2022**, of HRST and understand it is my obligation to read, fully understand and accept the guidelines and policies set forth in the Handbook. If I have questions regarding any policy, I will ask Human Resources, my manager, or another member of management. I acknowledge and agree that the Handbook supersedes and voids any agreements, oral statements, prior policies, practices, promises, or writings, in any form, regarding my employment, unless I have an express written employment agreement in place, signed by the CEO of HRST and by me.

I agree to comply with the guidelines and policies set forth in the Handbook and any other guidelines or policies established by HRST during my employment.

In addition, I understand and agree that my employment is at-will, for an indefinite period of time and may be terminated by HRST at any time and for any reason that does not violate local, state, or federal law, with or without notice and with or without cause.

Next, I understand that confidentiality is a major principle governing HRST's work environment and that all information which is not generally known or readily ascertainable by the general public through proper means which relates to HRST's products, services, customers, or existing or reasonably foreseeable business must be treated confidentially at all times. I am aware that, during the course of my employment, confidential information will be made available to me, and other related information. I understand that this information is critical to the success of HRST and must not be disseminated or used outside of my employment, whether voluntary or involuntary. In the event of the termination of my employment, whether voluntary or involuntary, I agree not to use this information or disseminate it to any other individual or entity.

Finally, I understand that the Handbook does not constitute a contract of employment and that HRST may change, revoke, interpret or add to any of the policies or guidelines described in the Handbook at any time and in its sole discretion with or without prior notice.

Date: _____

Print or Type Name

Signature