

The Handbook
For Carleton Helical Technologies



Welcome to Carleton Inc!

Starting a new job is exciting, but at times can be overwhelming. This Employee Handbook has been developed to help you become acquainted with our company and answer many of your initial questions.

As an employee of Carleton Inc, you are very important. Your contribution cannot be overstated. Our goal is to provide the finest-quality products and services to our clients and to do so more efficiently and economically than our competitors. By satisfying our clients' needs, we ensure they will continue to do business with us and will recommend us to others.

You are an important part of this process because your work directly influences our company's reputation.

We are glad you have joined us, and we hope you will find your work to be both challenging and rewarding.

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A Word About This Handbook

This Employee Handbook contains information about the employment policies and practices of the company. We expect each employee to read this Employee Handbook carefully, as it is a valuable reference for understanding your job and the company. The policies outlined in this Employee Handbook should be regarded as management guidelines only, which in a developing business will require changes from time to time. The company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the company. This Employee Handbook supersedes and replaces any and all prior Employee Handbooks and any inconsistent verbal or written policy statements.

The company complies with federal and state law and this handbook generally reflects those laws. The company also complies with any applicable local laws, even though there may not be an express written policy contained in the handbook.

Except for the policy of at-will employment, the company reserves the right to revise, delete and add to the provisions of this Employee Handbook at any time without further notice. All such revisions, deletions or additions to the Employee Handbook must be in writing and must be signed by the president of the company. No oral statements or representations can change the provisions of this Employee Handbook.

The provisions of this Employee Handbook are not intended to create contractual obligations with respect to any matters it covers. Nor is this Employee Handbook intended to create a contract guaranteeing that you will be employed for any specific time period. Any agreement to employment for a specified period of time will be put into writing and signed by the president of the company.

Nothing in this Employee Handbook is intended to unlawfully restrict an employee's right to engage in any of the rights guaranteed them by Section 7 of the National Labor Relations Act, including but not limited to, the right to engage in concerted protected activity for the purposes of their mutual aid and/or protection. Nothing in this Employee Handbook will be interpreted, applied or enforced to interfere with, restrain or coerce employees in the exercise of Section 7 rights.

OUR COMPANY IS AN AT-WILL EMPLOYER. THIS MEANS THAT REGARDLESS OF ANY PROVISION IN THIS EMPLOYEE HANDBOOK, EITHER YOU OR THE COMPANY MAY TERMINATE THE EMPLOYMENT RELATIONSHIP AT ANY TIME, FOR ANY REASON, WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF THE COMPANY IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME UNLESS SUCH AN AGREEMENT IS IN A WRITTEN CONTRACT SIGNED BY THE PRESIDENT OF THE COMPANY.

This Employee Handbook refers to current benefit plans maintained by the company. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents are controlling.

Likewise, if a written contract is inconsistent with the Employee Handbook, the written contract is controlling.

Building for the Future

As with any business, revenues are an absolute necessity for maintaining jobs and building for the future. Rather than look at generating sales and revenue as an "undesirable task", we look at it as a "must" situation. How do we continue to generate revenues to ensure a secure future and continued opportunities for all employees? With teamwork. Together we must meet the challenges we face on a daily basis.

In general, we have mentioned benefits, responsibilities and operations. We have saved the most crucial component of this business for last -- You.

At all times, you represent the company, and it is up to each one of you to take this responsibility seriously. Our company exists with your joint efforts. Don't underestimate your contribution to it. A great many people outside the business who invest their time, money and faith in us are part of that equation. They are our clients. They will determine how fast we grow, how many people we will employ, how many products we produce, how much service we render and the profit we make. In order to retain these clients, we want to ensure that our good service continues by always giving our clients the best possible value and quality. Working together and working well provides us with a bright future and with the most important commodity, a good reputation.

Equal Employment Opportunity

Our company is committed to equal employment opportunity. We will not discriminate against employees or applicants for employment on any legally-recognized basis ["protected class"] including, but not limited to: race; color; religion; genetic information; national origin; sex;

pregnancy, childbirth, or related medical conditions; age; disability; citizenship status; uniform servicemember status; or any other protected class under federal, state, or local law.

In Pennsylvania, the following also are a protected class: race; color; religious creed; ancestry; age [40 or over]; sex; pregnancy, childbirth and related medical conditions; national origin, non-job related handicap or disability, or the use of a guide or support animal.

You may discuss equal employment opportunity related questions with the president or any other designated member of management.

Pregnancy Accommodation

The company will provide reasonable accommodations to female employees related to pregnancy, childbirth, or related medical conditions, to the extent the accommodation can be made without imposing an undue hardship on the business.

When an employee requests a reasonable accommodation, the company will explore with the employee the possible means of providing the reasonable accommodation, which may include, but are not limited to:

- allowing more frequent breaks or periodic rest;
- assisting with manual labor;
- modifying job duties;
- modifying work hours/schedules;
- temporary transfer to a less strenuous or less hazardous position; or
- providing a leave of absence.

The company may require the employee to provide a certification in connection with a request for reasonable accommodation that includes the following:

- the date the reasonable accommodation became medically advisable;
- the probable duration of the reasonable accommodation; and
- an explanatory statement as to the medical advisability of the reasonable accommodation.

If leave is provided as a reasonable accommodation, such leave may run concurrently with any leave where permitted by state and federal law.

For more information, or if you require an accommodation, please contact the president.

Americans with Disabilities Act

Our company is committed to providing equal employment opportunities to qualified individuals with disabilities. This may include providing reasonable accommodation where appropriate in order for an otherwise qualified individual to perform the essential functions of the job. It is your responsibility to notify the president of the need for accommodation. Upon doing so, the president may ask you for your input or the type of accommodation you believe may be necessary or the functional limitations caused by your disability. Also, when appropriate, we may need your permission to obtain additional information from your physician or other medical or rehabilitation professionals. The company will not seek genetic information in connection with requests for accommodation. All medical information received by the company in connection with a request for accommodation will be treated as confidential.

A Word About our Employee Relations Philosophy

We are committed to providing the best possible climate for maximum development and goal achievement for all employees. Our practice is to treat each employee as an individual. We seek to develop a spirit of teamwork; individuals working together to attain a common goal.

In order to maintain an atmosphere where these goals can be accomplished, we provide a comfortable and progressive workplace. Most importantly, we have a workplace where communication is open and problems can be discussed and resolved in a mutually respectful atmosphere. We take into account individual circumstances and the individual employee.

We firmly believe that with direct communication, we can continue to resolve any difficulties that may arise and develop a mutually beneficial relationship.

No Harassment

We prohibit harassment of one employee by another employee, supervisor or third party for any reason based upon an individual's race; color; religion; genetic information; national origin; sex (including same sex); pregnancy, childbirth, or related medical conditions; age; disability; or any other category protected under federal, state, or local law ("protected class").

In Pennsylvania, the following also are a protected class: race; color; religious creed; ancestry; age [40 or over]; sex; pregnancy, childbirth and related medical conditions; national origin, non-job related handicap or disability, or the use of a guide or support animal.

Violation of this policy will result in disciplinary action, up to and including immediate discharge.

If you have any questions about what constitutes harassing behavior or what conduct is prohibited by this policy, please discuss the questions with your immediate supervisor or one of the contacts listed in this policy. At a minimum, the term “harassment” as used in this policy includes any of the following activities pertaining to an individual’s protected class:

- Offensive remarks, comments, jokes, slurs, threats, or verbal conduct.
- Offensive pictures, drawings, photographs, figurines, writings, or other graphic images, conduct, or communications, including text messages, instant messages, websites, voicemails, social media postings, e-mails, faxes, and copies.
- Offensive sexual remarks, sexual advances, or requests for sexual favors regardless of the gender of the individuals involved; and
- Offensive physical conduct, including touching and gestures, regardless of the gender of the individuals involved.

We also absolutely prohibit retaliation, which includes: threatening an individual or taking any adverse action against an individual for (1) reporting a possible violation of this policy, or (2) participating in an investigation conducted under this policy.

Our supervisors and managers are covered by this policy and are prohibited from engaging in any form of harassing, discriminatory, or retaliatory conduct. No supervisor or other member of management has the

authority to suggest to any applicant or employee that employment or advancement will be affected by the individual entering into (or refusing to enter into) a personal relationship with the supervisor or manager, or for tolerating (or refusing to tolerate) conduct or communication that might violate this policy. Such conduct is a direct violation of this policy.

Even non-employees are covered by this policy. We prohibit harassment, discrimination, or retaliation of our employees in connection with their work by non-employees. Immediately report any harassing or discriminating behavior by non-employees, including contractor or subcontractor employees. Any employee who experiences or observes harassment, discrimination, or retaliation should report it using the steps listed below.

If you have any concern that our No Harassment policy may have been violated by anyone, you must immediately report the matter. Due to the very serious nature of harassment, discrimination and retaliation, you must report your concerns to one of the individuals listed below:

1. Discuss any concern with Nick Carleton, the president at (215) 230-8900 and 30 South Sand Road New Britain, PA 18901.

If an employee makes a report to any of these members of management and the manager either does not respond or does not respond in a manner the employee deems satisfactory or consistent with this policy, the employee is required to report the situation to one of the other members of management designated in this policy to receive complaints.

You should report any actions that you believe may violate our policy no matter how slight the actions may seem.

We will investigate the report and then take prompt, appropriate remedial action. The company will protect the confidentiality of employees reporting suspected violations to the extent possible consistent with our investigation.

You will not be penalized or retaliated against for reporting improper conduct, harassment, discrimination, retaliation, or other actions that you believe may violate this policy.

We are serious about enforcing our policy against harassment. Persons who violate this or any other company policy are subject to discipline, up to and including discharge. We cannot resolve a potential policy violation unless we know about it. You are responsible for reporting possible policy violations to us so that we can take appropriate actions to address your concerns.

Categories of Employment

INTRODUCTORY PERIOD: Full-time and part-time employees are on an introductory period during their first 90 days of employment.

During this time, you will be able to determine if your new job is suitable for you and the president will have an opportunity to evaluate your work performance. However, the completion of the introductory period does not guarantee employment for any period of time since you are an at-will employee both during and after your introductory period.

FULL-TIME EMPLOYEES regularly work at least a 40-hour workweek.

PART-TIME EMPLOYEES work less than 30 hours each week.

In addition to the preceding categories, employees are also categorized as "exempt" or "non-exempt."

NON-EXEMPT EMPLOYEES are entitled to overtime pay as required by applicable federal and state law.

EXEMPT EMPLOYEES are not entitled to overtime pay and may also be exempt from minimum wage requirements pursuant to applicable federal and state laws.

Upon hire, the president will notify you of your employment classification.

Anniversary Date

The first day you report to work will be recorded in company records as your anniversary date. This date may be used to calculate many different company benefits. If you have any questions regarding your anniversary date, please see the president.

Immigration Reform and Control Act

In compliance with the federal Immigration Reform and Control Act of 1986 (IRCA), as amended, and any state law requirements, if applicable, our company is committed to employing only individuals who are authorized to work in the United States.

Each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility.

If an employee is authorized to work in this country for a limited time period, the individual will be required to submit proof of renewed employment eligibility prior to expiration of that period to remain employed by the company.

New Employee Orientation

Upon joining our company, you were given this copy of our Employee Handbook. After reading this Employee Handbook please sign the receipt page and return it to the president. You will be asked to complete personnel, payroll and benefit forms.

If you lose your Employee Handbook or if it becomes damaged in any way, please notify the president as soon as possible to obtain a replacement copy.

The president is responsible for the operations of your department. (S)he is a good source of information about the company and your job.

Talk to Us

We encourage you to bring your questions, suggestions and complaints to our attention. We will carefully consider each of these in our continuing effort to improve operations.

If you feel you have a problem, present the situation to the president so that the problem can be settled by examination and discussion of the facts.

Your suggestions and comments on any subject are important, and we encourage you to take every opportunity to discuss them with us. Your job will not be adversely affected in any way because you choose to use this procedure.

Your Pay and Progress

Recording Your Time

Non-exempt employees must record their hours on the computer.

Accurately recording all of your time is required in order to be sure that you are paid for all hours worked. You are expected to follow the established procedures in keeping an accurate record of your hours worked. Time must be recorded as follows:

- Immediately before starting your shift.
- Immediately after finishing work.
- Immediately before and after any other time away from work.

Exempt employees may be required to accurately record their time worked in accordance with federal and state wage and hour law.

All employees subject to this policy are required to accurately record all time worked.

The workweek starts on Monday and ends on Sunday.

Payday

You will be paid weekly on Friday for the period that ends on the previous Friday.

When our payday is a holiday, you normally will be paid on the first working day after the holiday.

Please review your paycheck for errors. If you find a mistake, report it to the president immediately. The president will assist you in taking the steps necessary to correct the error.

Paycheck Deductions

The company is required by law to make certain deductions from your paycheck each pay period. Such deductions typically include federal and state taxes and Social Security (FICA) taxes. Depending on the state in which you are employed and the benefits you choose, there may be additional deductions. All deductions and the amount of the deductions are listed on your pay stub. These deductions are totaled each year for you on your Form W-2, Wage and Tax Statement.

It is the policy of the company that exempt employees' pay will not be "docked," or subject to deductions, in violation of salary pay rules issued by the United States Department of Labor and any corresponding rules issued by the state government, as applicable. However, the company may make deductions from employees' salaries in a way that is permitted under federal and state wage and hour rules. Employees will be reimbursed in full for any isolated, inadvertent, or improper deductions, as defined by law.

Thus, exempt employees may be subject to the following salary deductions, except where prohibited by state law, but only for the following reasons:

- Absences of one or more full days for personal reasons, other than sickness or disability; or
- Absences of one or more full days due to sickness or disability, if there is a plan, policy, or practice providing replacement compensation for such absences; or
- Absences of one or more full days before eligibility under such a plan, policy, or practice or after replacement compensation for such absences has been exhausted; or
- Suspensions of one or more full days for violations of safety rules of major significance; or
- Suspensions of one or more full days for violations of written workplace conduct rules, such as rules against sexual harassment and workplace violence; or
- Payment of actual time worked in the first and last weeks of employment, resulting in a proportional rate of an employee's full salary; or
- Any unpaid leave taken under the Family and Medical Leave Act; or
- Negative paid-time-off balances, in whole-day increments only.

The company will not make deductions which are prohibited by the Fair Labor Standards Act or state laws from its exempt employees' pay.

If questions or concerns about any pay deductions arise, discuss and resolve them with your president. If an error is found, you will receive an immediate adjustment which will be paid no later than on the next regular payday.

Garnishment/Child Support

When an employee's wages are garnished by a court order, our company is legally bound to withhold the amount indicated in the garnishment order from the employee's paycheck. Our company will, however, honor applicable federal and state guidelines that protect a certain amount of an employee's income from being subject to garnishment.

Direct Deposit

You have the option of receiving your pay in a payroll check or having your pay deposited into your bank account through our direct deposit program.

Performance Reviews

Your performance is important to our company. The president will review your job progress within our company and help you set new job performance plans.

Our performance review program provides the basis for better understanding between you and the president, with respect to your job performance, potential and development within the company.

New employees will generally be reviewed at the end of their introductory period.

Job Descriptions

The company maintains a job description for each position in the company. The job description outlines the essential duties and responsibilities of the position. When the duties and/or responsibilities of a position change, the job description is revised to reflect those changes. If you have any questions or wish to obtain a copy of your position's job description, please see the president.

Pay Raises

Depending upon your performance and our company's profitability, adjustments in your pay may be made when there has been an improvement in or sustainment of an already good performance during the review period.

Pay Advances

Pay advances will not be granted to employees.

Overtime

There will be times when you will need to work overtime so that we may meet the needs of our clients. Although you will be given advance notice when feasible, this is not always possible. If you are a non-exempt employee, you must have all overtime approved in advance by your president.

Non-exempt employees will be paid at a rate of time and one-half their regular hourly rate for hours worked in excess of 40 hours in a workweek, unless state law provides a greater benefit in which case, we will comply with the state law.

Only actual hours worked count toward computing weekly overtime.

If you have any questions concerning overtime pay, check with the president.

Time Away From Work and Other Benefits

Employee Benefits

Our company has developed a comprehensive set of employee benefit programs to supplement our employees' regular wages. Our benefits represent a hidden value of additional income to our employees.

This Employee Handbook describes the current benefit plans maintained by the company. Refer to the actual plan documents and summary plan descriptions if you have specific questions regarding the benefit plan. Those documents are controlling.

The company reserves the right to modify and/or terminate its benefits at any time. We will keep you informed of any changes.

Paid Time Off (PTO)

Full-time employees are eligible for Paid Time Off (PTO).

PTO is calculated according to your anniversary date as follows:

Immediately upon hire, you shall be entitled to two days of PTO annually.

After 1 full anniversary year, you shall be entitled to one week of PTO annually.

After 2 full anniversary years, you shall be entitled to two weeks of PTO annually.

Exempt employees will receive sick pay in compliance with state and federal wage and hour laws.

Submit PTO requests in writing at least two weeks in advance to the president. When possible, PTO requests are granted, taking into account operating requirements. Length of employment may determine priority in scheduling PTO times.

PTO can be used as vacation time, sick time or to take care of personal matters.

You may use accrued PTO to care for a child who is sick.

PTO cannot be carried over from one year to the next nor is pay granted in lieu of taking the actual time off.

At the end of employment, eligible employees will not be paid for accrued but unused PTO, unless state law dictates otherwise.

Jury Duty

Employees summoned for jury duty are granted an unpaid leave in order to serve.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

We reserve the right to request proof of jury service issued by the Court upon return.

Make arrangements with the president as soon as you receive your summons.

When permitted by state law, we expect you to return to your job if you are excused from jury duty during your regular working hours.

Military Leave

Employees who are required to fulfill military obligations in any branch of the Armed Forces of the United States or in state military service will be given the necessary time off and reinstated in accordance with federal and state law.

The time off will be unpaid, except where state law dictates otherwise. Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Accrued paid time off (PTO) (if any) may be used for this leave if the employee chooses, but the company will not require the employee to use paid time off (PTO). Military orders should be presented to the president and arrangements for leave made as early as possible before departure. Employees are required to give advance notice of their service obligations to the company unless military necessity makes this impossible. You must notify the president of your intent to return to employment based on requirements of the law. Your benefits may continue to accrue during the period of leave in accordance with state and federal law.

Additional information regarding military leaves may be obtained from the president.

Voluntary Emergency Workers Leave

Any employee who serves as volunteer firefighter, fire police or volunteer member of an ambulance service or rescue squad will receive unpaid leave in which to respond to an emergency call made prior to the start of his or her scheduled shift.

Prior to missing work, you must attempt to contact your president or otherwise notify the company that you have been dispatched to an emergency. If you fail to report for work, you must provide the company with a statement from the chief executive officer of the volunteer fire company, ambulance service or rescue squad or its affiliated organization stating that you responded to a call and the time at which you responded.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Witness Leave

Employees are given the necessary time off without pay to attend or participate in a court proceeding in accordance with state law. We ask that you notify the president of the need to take witness leave as far in advance as is possible.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Leave of Absence

Under special circumstances, full-time employees who have completed one year of employment may be granted a leave of absence without pay. The granting of this type of leave is normally for compelling reasons and is dependent upon the written approval of the president.

Leaves may not exceed 30 days during which time no benefits will accrue. Leaves of absence are granted only after earned PTO is exhausted.

We will make reasonable efforts to return you to the same or similar job you held prior to the leave of absence, subject to our staffing and business requirements.

Victims of Crime Leave

The company will grant reasonable and necessary leave from work, without pay, to employees who are victims of a crime to attend or participate in legal proceedings pertaining to the crime. Affected employees must give the company reasonable notice that leave under this policy is required.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

Medical Insurance

Eligible full-time employees may enroll in a single, a single plus one dependent, or a family contract after completing their introductory period. Eligibility may be defined by state law and/or by the insurance contract.

Information and enrollment forms may be obtained from the president.

To assist you with the cost of this insurance, our company pays a portion of a single, a single plus one dependent, or a family contract. You are responsible for paying the balance through payroll deduction.

Participating employees are also covered under our medical insurance plan's prescription drug and vision care programs.

A booklet containing the details of the plan and eligibility requirements may be obtained from the president.

Refer to the actual plan document and summary plan description if you have specific questions regarding this benefit plan. Those documents are controlling.

At the end of employment you may be entitled to continuation or conversion of the group medical insurance plan in accordance with the terms of the policy and/or applicable state and federal law. For more information, contact the president.

Dental Insurance

Eligible full-time employees may enroll in a single, a single plus one dependent or a family contract after completing their introductory period.

Information and enrollment forms may be obtained from the president.

To assist you with the cost of this insurance, our company pays a portion of a single, a single plus one dependent or a family contract. You are responsible for paying the balance through payroll deduction.

A booklet containing the details of the plan and the eligibility requirements may be obtained from the president.

Refer to the actual plan document and summary plan description if you have specific questions regarding this benefit plan. Those documents are controlling.

At the end of employment you may be entitled to continuation or conversion of the group dental insurance plan in accordance with the terms of the policy and/or applicable state and federal law. For more information, contact the president.

COBRA

You and/or your covered dependents will have the opportunity to continue medical and/or dental benefits for a period of up to 36 months under the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) when group medical and/or dental coverage for you and/or your covered dependents would otherwise end due to your death or because:

- your employment terminates, for a reason other than gross misconduct; or
- your employment status changes due to a reduction in hours; or
- your child ceases to be a "dependent child" under the terms of the medical and/or dental plan; or
- you become divorced or legally separated; or
- you become entitled to Medicare.

In the event of divorce, legal separation, or a child's loss of dependent status, you or a family member must notify the plan administrator within 60 days of the occurrence of the event.

The plan administrator will notify the individuals eligible for continuation coverage of their right to elect COBRA continuation coverage.

For more information regarding COBRA, you may contact the president.

Social Security

During your employment, you and the company both contribute funds to the federal government to support the Social Security program. This program is intended to provide you with retirement benefit payments and medical coverage once you reach retirement age.

Unemployment Insurance

Upon separation from employment, you may be entitled to state and federal unemployment insurance benefits. Information about unemployment insurance can be obtained from the president.

Workers' Compensation

On-the-job injuries are covered by our Workers' Compensation insurance policy. This insurance is provided at no cost to you. If you are injured on the job, no matter how slightly, report the incident immediately to the president. Consistent with applicable state law, failure to report an injury within a reasonable period of time could jeopardize your claim. We ask for your assistance in alerting management to any condition that could lead to or contribute to an employee accident.

401(k) Qualified Retirement Plan

Our company provides eligible employees with a 401(k) Qualified Retirement plan which is an excellent means of long-term savings for your retirement. The company's contribution, if any, is determined by the employer on an annual basis.

You can obtain a copy of the Summary Plan Description which contains the details of the plan including eligibility and benefit provisions from the president. In the event of any conflict in the description of any plan, the official plan documents, which are available for your review, shall govern. If you have any questions regarding this plan, see the plan administrator.

Professional Development

Our company believes in supporting the individual growth of its employees. To encourage employee development, our company offers a professional development reimbursement program to eligible employees who attend job-related seminars.

To participate in this program, you must be a full-time employee who has completed six days of employment.

Approval from the president must be received prior to registration for the seminar. Our company will pay the full cost of approved job-related seminars.

In an effort to keep our company informed of new developments, we ask that you share any new information presented at the seminar with the rest of the staff.

On the Job

Conduct at Client's Office

The nature of our company may require that employees perform work connected with a client's assignment at the client's office. The importance of professional conduct when working in a client's office cannot be emphasized enough. Professional conduct is a broad term that is open to many interpretations. The following guidelines describe appropriate conduct when working at a client's office:

- Limit discussions with client employees to matters that concern their department and level of responsibility. Long, personal discussions with client personnel are discouraged during working hours on the client's worksite. Such disruptions of work will only offend client executives and client employees.
- Do not discuss internal affairs with client personnel during working hours on the client's worksite.
- Avoid comments or criticisms involving other companies and their particular work or fees.
- Refrain from discussing shortcomings or idiosyncrasies of client employees.
- Avoid conversations involving client matters in all places that would violate client confidentiality.
- Avoid discussing procedural problems with management while client employees are present.
- Purchase items from a client at regular sale prices.
- Do not borrow money from a client unless the client's business involves lending money.

- Do not solicit clients for charitable donations.

Confidentiality of Client Matters

Our professional ethics require that each employee maintain the highest degree of confidentiality when handling client matters.

To maintain this professional confidence, no employee shall disclose client information to other clients, friends, or members of one's own family.

Questions concerning client confidentiality may be addressed with the president.

Discussions with Clients

When working on an assignment in a clients' office, you may be asked to offer specific suggestions or comments regarding his or her practices.

Prior to discussing any suggestions with a client, your recommendations must first be approved by the president.

Attendance and Punctuality

Attendance and punctuality are important factors for your success within our company. We work as a team and this requires that each person be in the right place at the right time.

If you are going to be late for work or absent, notify the president as far in advance as is feasible under the circumstances, but before the start of your workday.

Personal issues requiring time away from your work, such as doctor's appointments or other matters, should be scheduled during your nonworking hours if possible.

If you are absent for three days without notifying the company, it is assumed that you have voluntarily abandoned your position with the company, and you will be removed from the payroll.

Business Hours

Because of the nature of our business, your work schedule may vary depending on your job. Our normal business hours are 8:00 a.m. to 4:30 p.m., Monday through Friday. Check with the president if you have questions about your hours of work.

Meal Time

A 30-minute, unpaid meal break should be taken each day. The president is responsible for approving the scheduling of this time.

On The Job Training

The president is responsible for initiating all on-the-job training for employees within your department. This may include safety training, participation in off-site training and continuing education when necessary for job safety and work performance. Training will be conducted during regular working hours whenever possible.

The company will pay for any required training programs. Employees may be tested from time to time to evaluate the effectiveness of the training program.

If you have any questions regarding training, please see the president.

Standards of Conduct

Each employee has an obligation to observe and follow the company's policies and to maintain proper standards of conduct at all times. If an individual's behavior interferes with the orderly and efficient operation of a department, corrective disciplinary measures will be taken.

Disciplinary action may include a verbal warning, written warning, suspension with or without pay, and/or

discharge. The appropriate disciplinary action imposed will be determined by the company. The company does not guarantee that one form of action will necessarily precede another.

Among other things, the following may result in disciplinary action, up to and including discharge: violation of the company's policies or safety rules; insubordination; unauthorized or illegal possession, use or sale of alcohol or controlled substances on work premises or during working hours, while engaged in company activities or in company vehicles; unauthorized possession, use or sale of weapons, firearms or explosives on work premises; theft or dishonesty; inappropriate physical contact; harassment; discrimination or retaliation; performing outside work or use of company property, equipment or facilities in connection with outside work while on company time; poor attendance or poor performance. These examples are not all inclusive. We emphasize that discharge decisions will be based on an assessment of all relevant factors.

Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

Nothing in this policy is designed to modify our employment-at-will policy.

Access to Personnel Files

Employees or an agent designated by the employee can inspect parts of the employee's own personnel files once a year, in the presence of a company official. Parts subject to inspection include the employee's job application, wage or salary information, notices of commendations, warnings or other discipline, authorization for a deduction or withholding of pay, fringe benefit information, leave records and employment history with the company. The records may be inspected at reasonable times during regular business hours and in the office where the records are kept. Employees or their designated agent may take notes regarding the contents of the file. Employees or their designated agent may place a statement in the file if they find an error in the file.

Employees shall provide a signed authorization designating a specific individual who is authorized to inspect their personnel file. The signed authorization shall be for a specific date and shall indicate either the purpose for which the inspection is authorized or the particular parts of the employee's personnel file that the designated agent is authorized to inspect.

For more information, contact the president.

Computer Software Licensing

Carleton Inc. purchases or licenses the use of various computer software programs. Neither the company nor any of the company's employees have the right to duplicate this computer software or its related documentation. Unauthorized duplication of computer software is a federal offense, punishable by up to a \$250,000 fine and up to five years in jail.

The company does not condone the illegal duplication of software. You must use the software in accordance with the license agreement. This policy applies not only to individual desktop computers and laptops but to local area networks as well.

Employees learning of any misuse of software or related documentation within the company shall notify a member of management. Employees who reproduce, acquire or use unauthorized copies of computer software will be subject to discipline, up to and including discharge.

Client and Public Relations

Our company's reputation is built on excellent service and quality work. To maintain this reputation requires the active participation of every employee.

The opinions and attitudes that clients have toward our company may be determined for a long period of time by the actions of one employee. It is sometimes easy to take a client for granted, but if we do we run the risk of losing not only that client, but his or her associates, friends or family who may also be clients or prospective clients.

Each employee must be sensitive to the importance of providing courteous treatment in all working relationships.

Non-Solicitation

Carleton Inc. believes employees should have a work environment free from interruptions of a non-work related nature, as work time is for work. When you are to be working you should focus on your duties and not engage in activities that would interfere with your own work or the work of others. For the purpose of this policy, solicitation includes, but is not limited to, for collection of any debt or obligation, for raffles of any kind or chance taking, or for the sale of merchandise or business services, the attempt to sell any product or service (e.g. selling or collecting for Tupperware®, Avon® products, churches, schools, Girl Scout cookies, etc.). Such interruptions can be both detrimental to the quality of work and efficiency, and may not be respectful of others job responsibilities and right not to be interrupted.

Employees may not engage in solicitation for any purpose during his/her work time, which includes the working time of the employee who seeks to solicit and the employee who is being solicited. Although solicitation is not encouraged, it is permitted as long as it is limited to the employee's break and lunch time and kept out of active working areas. Nothing in this policy is intended to restrict an employee's statutory rights.

Distribution

Distribution of any type (materials, goods, etc.) is prohibited in work areas at any time, whether or not the employees are on working time. Non-employees are prohibited from distributing materials to employees on company premises at any time. Inappropriate literature is prohibited, e.g. literature that violates the company's non-harassment and discrimination policies; items of a defamatory nature, items that include threats of violence, unprotected literature of a political nature that is highly inflammatory and likely to disrupt facility discipline and order or safety. Nothing in this policy is intended to restrict an employee's statutory rights.

Changes in Personal Data

To aid you and/or your family in matters of personal emergency, we need to maintain up-to-date information.

Changes in name, address, telephone number, marital status, number of dependents or changes in next of kin and/or beneficiaries should be given to the president promptly.

Care of Equipment

You are expected to demonstrate proper care when using the company's property and equipment. No property may be removed from the premises without the proper authorization of management. If you lose, break or damage any property, report it to the president at once.

Personal Property

The company is not responsible for loss or damage to personal property. Valuable personal items, such as purses and all other valuables should not be left in areas where theft might occur.

Severe Weather

Severe weather is to be expected during certain months of the year. Although driving may at times be difficult, when caution is exercised the roads are normally passable. Except in cases of severe storms, we are all expected to work our regular hours. Time taken off due to poor weather conditions while the business remains open is unpaid.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

If extreme weather conditions require closing of the building, you will be notified by the president.

Natural Disasters

Natural disasters, including earthquakes, hurricanes, mudslides, floods and fires are to be expected from time to time. Although driving may be difficult in some areas due to damaged freeways and streets, when caution is exercised the roads are normally passable or alternate routes are available. Except in severe cases, we are all expected to work our regular hours. Time taken off due to natural disasters while the business remains open is unpaid.

Exempt employees may be provided time off with pay when necessary to comply with state and federal wage and hour laws.

If extreme weather conditions require closing of the building, you will be notified by the president.

Personal Telephone Calls

It is important to keep our telephone lines free for client calls. Although the occasional use of the company's telephones for a personal emergency may be necessary, routine personal calls should be kept to a minimum.

Personal cellular telephones must be turned off or set to a silent alert during working hours while on company premises.

Employees are prohibited from using cellular telephones to text message during working hours while on company premises.

Electronic Mail and Voice Mail Monitoring

We recognize your need to be able to communicate efficiently with fellow employees and clients. Therefore, we have installed internal electronic mail (e-mail) and voice mail systems to facilitate the transmittal of business-related information within the company and with our clients.

The e-mail and voice mail systems are intended for business use only. The use of the company's e-mail and/or voice mail systems to solicit fellow employees or distribute non job-related information to fellow employees is prohibited to the extent allowed by applicable law.

Our company's policies against sexual and other types of harassment apply fully to the e-mail and voice mail systems. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from the display or transmission of sexually-explicit images, messages, ethnic slurs, racial epithets or anything that could be construed as harassment or disparaging to others.

Employees shall not use unauthorized codes or passwords to gain access to others' files and or accounts.

All e-mail and voice mail passwords must be made available to the company at all times. Please notify the president if you need to change your password.

Violation of this policy may result in disciplinary action, up to and including discharge.

For business purposes, management reserves the right to enter, search and/or monitor the company's private e-mail and voice mail systems and the files/transmissions of any employee without advance notice and consistent with applicable state and federal laws. Employees should

expect that communications that they send and receive by the company's private e-mail and voice mail systems will be disclosed to management. Employees should not assume that communications that they send and receive by the company's private e-mail and voice mail systems are private or confidential.

Internet Usage and Monitoring

As a growing company, we recognize the need to stay on the cutting edge of technology. This is one of the reasons we allow employees to have access to the Internet.

The Internet is intended for business use only. Use of the Internet for any non-business purpose, including but not limited to, personal communication or solicitation, purchasing personal goods or services, gambling and downloading files for personal use, is strictly prohibited.

Our company's policies against sexual and other types of harassment apply fully to Internet usage, including the use of instant messaging programs. Violations of those policies are not permitted and may result in disciplinary action, up to and including discharge. Therefore, employees are also prohibited from displaying, transmitting and/or downloading sexually explicit images, messages, ethnic slurs, racial epithets or anything that could be construed as harassment or disparaging to others.

Consistent with applicable federal and state law, the time you spend on the Internet may be tracked through activity logs for business purposes. All abnormal or inappropriate usage will be investigated thoroughly. For business purposes, management reserves the right to search and/or monitor the company's Internet usage and the files/transmissions of any employee without advance

notice and consistent with applicable state and federal laws. Employees should expect that communications that they send and receive by the Internet will be disclosed to management. Employees should not assume that communications that they send and receive by the Internet are private or confidential.

Employees learning of any misuse of the Internet shall notify a member of management.

Violation of this policy may result in disciplinary action up to and including discharge.

Acceptable Use of Electronic Communications

This policy contains guidelines for Electronic Communications created, sent, received, used, transmitted, or stored using company communication systems or equipment and employee provided systems or equipment used either in the workplace, during working time or to accomplish work tasks. “Electronic Communications” include, among other things, messages, images, data or any other information used in e-mail, instant messages, voice mail, fax machines, computers, personal digital assistants (including Blackberry, iPhone, iPad, tablet, smart phone or similar devices), text messages, pagers, telephones, cellular and mobile phones including those with cameras, Intranet, Internet, back-up storage, information on a memory or flash key or card, jump or zip drive or any other type of internal or external removable storage drives. In the remainder of this policy, all of these communication devices are collectively referred to as “Systems.”

Employees may use our Systems to communicate internally with co-workers or externally with clients,

suppliers, vendors, advisors, and other business acquaintances for business purposes.

All Electronic Communications contained in company Systems are company records and/or property. Although an employee may have an individual password to access our Systems, the Systems and Electronic Communications belong to the company. The Systems and Electronic Communications are accessible to the company at all times including periodic unannounced inspections. Our Systems and Electronic Communications are subject to use, access, monitoring, review, recording and disclosure without further notice. Our Systems and Electronic Communications are not confidential or private. The company's right to use, access, monitor, record and disclose Electronic Communications without further notice applies equally to employee-provided systems or equipment used in the workplace, during working time, or to accomplish work tasks.

Although incidental and occasional personal use of our Systems that does not interfere or conflict with productivity or the company's business or violate policy is permitted, personal communications in our Systems are treated the same as all other Electronic Communications and will be used, accessed, recorded, monitored, and disclosed by the company at any time without further notice. Since all Electronic Communications and Systems can be accessed without advance notice, employees should not use our Systems for communication or information that employees would not want revealed to third parties.

Employees may not use our Systems in a manner that violates our policies including but not limited to Equal Employment Opportunity, No Harassment, Confidentiality of Client Matters, Protecting Company Information, Non-Solicitation, Distribution, Electronic and Voice Mail Monitoring, and Internet Usage. Employees may not use

our Systems in any way that may be seen as insulting, disruptive, obscene, offensive, or harmful to morale. Examples of prohibited uses include, but are not limited to, sexually-explicit drawings, messages, images, cartoons, or jokes; propositions or love letters; ethnic or racial slurs, threats of violence or bullying, or derogatory comments; or any other message or image that may be in violation of company policies or federal, state or local law.

In addition, employees may **not** use our Systems:

- To download, save, send or access any discriminatory or obscene material;
- To download anything from the internet (including shareware or free software) without the advance written permission of your president;
- To download, save, send or access any site or content that the company might deem “adult entertainment;”
- To access any “blog” or otherwise post a personal opinion on the Internet (see Social Media policy);
- To solicit employees or others;
- To attempt or to gain unauthorized or unlawful access to computers, equipment, networks, or systems of the company or any other person or entity;
- In connection with any infringement of intellectual property rights, including but not limited to copyrights; and
- In connection with the violation or attempted violation of any law.

An employee may not misrepresent, disguise, or conceal his or her identity or another’s identity in any way while using Electronic Communications; make changes to Electronic Communications without clearly indicating such changes; or use another person’s account, mail box, password, etc. without prior written approval of the account owner and without identifying the actual author.

Employees must always respect intellectual property rights such as copyrights and trademarks. Employees must not copy, use, or transfer trade secrets or proprietary materials of the company or others without appropriate authorization.

All Systems passwords and encryption keys must be available and known to the company. You may not install password or encryption programs without the written permission of your president. Employees may not use the passwords and encryption keys belonging to others.

Numerous state and federal laws apply to Electronic Communications. The company will comply with applicable laws. Employees also must comply with applicable laws and should recognize that an employee could be personally liable and/or subject to fine and imprisonment for violation of applicable laws.

This policy does not limit an employee's rights under Section 7 of the National Labor Relations Act. Nothing in this policy is meant to restrict an employee's right to discuss the terms and conditions of his/her employment during non-working hours using non-company systems.

Violations of this policy may result in disciplinary action up to and including discharge as well as possible civil liabilities or criminal prosecution. Where appropriate, the company may advise legal officials or appropriate third parties of policy violations and cooperate with official investigations. We will not, of course, retaliate against anyone who reports possible policy violations or assists with investigations.

If you have questions about the acceptable use of our Systems or the content of Electronic Communications, ask the president for advance clarification.

Social Media

The company has in place policies that govern use of its own electronic communication systems, equipment, and resources which employees must follow. We encourage you to use good judgment when communicating via social media.

“Social media” includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else’s web log or blog, journal or diary, personal web site, social networking or affinity web site, web bulletin board or a chat room, whether or not associated or affiliated with the company, as well as any other form of electronic communication.

The same principles and guidelines found in the company’s Employee Handbook policies apply to your activities online. Ultimately, you are solely responsible for what you post online. Before creating online content, consider some of the risks and rewards that are involved. Keep in mind that any of your conduct that adversely affects your job performance, the performance of fellow employees or otherwise adversely affects clients, vendors, suppliers, people who work on behalf of the company or its legitimate business interests may result in disciplinary action up to and including immediate discharge.

The following is a general and non-exhaustive list of guidelines you should keep in mind:

1. Always be fair and courteous to fellow employees, clients, vendors, suppliers or people who work on behalf of the company. Also, keep in mind that you are more likely to resolve work related complaints by speaking directly with your co-workers or by utilizing our Talk To Us policy than by posting complaints to a social media outlet. Nevertheless, if you decide to post

complaints or criticism, avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparages clients, employees, vendors, or suppliers, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, age, gender, national origin, color, disability, religion or any other status protected by federal, state or local law or company policy. Inappropriate postings that may include discriminatory remarks, harassment, retaliation, and threats of violence or similar inappropriate or unlawful conduct will not be tolerated and may subject you to disciplinary action up to and including immediate discharge.

2. Make sure you are always truthful and accurate when posting information or news. If you make a mistake, correct it quickly. Be open about any previous posts you have altered. Use privacy settings when appropriate. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. The Internet is immediate. Nothing that is posted ever truly "expires." Never post any information or rumors that you know to be false about the company, fellow employees, clients, vendors, suppliers, people working on behalf of the company or competitors.
3. Maintain the confidentiality of company trade secrets and proprietary or confidential information. Trade secrets may include information regarding the development of systems, processes, products, know-how and technology. Do not post internal reports, policies,

procedures or other internal business-related confidential communications.

4. Do not create a link from your blog, website or other social networking site to the company's website without gaining permission from the president.
5. Express only *your* personal opinions. Never represent yourself as a spokesperson for the company. If the company is a subject of the content you are creating, be clear and open about the fact that you are an employee and make it clear that your views do not represent those of the company, fellow employees, clients, vendors, suppliers or people working on behalf of the company. If you do publish a blog or post online related to the work you do or subjects associated with the company, make it clear that you are not speaking on behalf of the company. It is best to include a disclaimer such as "The postings on this site are my own and do not necessarily reflect the views of Carleton Inc".
6. You must refrain from using social media while on working time or while using equipment we provide, unless it is work-related as authorized by the president, or other member of management; or consistent with the Acceptable Use of Electronic Communications Policy.
7. Do not use any company email addresses to register on social networks, blogs or other online tools utilized for personal use.

Employees are encouraged to report violations of this policy. The company prohibits retaliation against any employee for reporting a possible deviation from this policy or for cooperating in an investigation.

Any employee who retaliates against another employee for reporting a possible deviation from this policy or for cooperating in an investigation will be subject to disciplinary action, up to and including immediate discharge.

You should not speak to the media on the company's behalf without contacting your president. All media inquiries should be directed to them.

Where applicable, the company complies with state laws concerning access to an employee's personal social networking account, including restrictions concerning employer requests for an employee's username and/or password.

Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

If you have questions or need further guidance, please contact the president.

Dress Policy

Employees are expected to maintain the highest standards of personal cleanliness and present a neat, professional appearance at all times.

Our clients' satisfaction represents the most important and challenging aspect of our business. Whether or not your job responsibilities place you in direct client contact, you represent the company with your appearance as well as your actions. The properly-attired individual helps to create a favorable image for the company, to the public and fellow employees.

The company maintains a business casual environment. All employees should use discretion in wearing attire that is appropriate for the office and client interaction.

Personal Hygiene

Maintaining a professional, business-like appearance is very important to the success of our company. Part of the impression you make on others depends on your choice of dress, personal hygiene and courteous behavior. A daily regimen of good grooming and hygiene is expected of everyone. Please ensure that you maintain good personal hygiene habits. While at work, you are required to be clean, dressed appropriately and well groomed.

Protecting Company Information

Protecting our company's information is the responsibility of every employee. Do not discuss the company's confidential business or proprietary business matters, or share confidential, personal employee information with anyone who does not work for us such as friends, family members, members of the media, or other business entities.

Confidential information does not include information pertaining to the terms and conditions of an employee's employment. Nothing in this policy is designed to limit an employee's rights under Section 7 of the National Labor Relations Act.

All telephone calls regarding a current or former employee's position/compensation with our company must be forwarded to the president.

The company's address shall not be used for the receipt of personal mail.

Conflict of Interest/Code of Ethics

A company's reputation for integrity is its most valuable asset and is directly related to the conduct of its officers and other employees. Therefore, employees must never use their positions with the company, or any of its clients, for private gain, to advance personal interests or to obtain favors or benefits for themselves, members of their families or any other individuals, corporations or business entities.

The company adheres to the highest legal and ethical standards applicable in our business. The company's business is conducted in strict observance of both the letter and spirit of all applicable laws and the integrity of each employee is of utmost importance.

Employees of the company shall conduct their personal affairs such that their duties and responsibilities to the company are not jeopardized and/or legal questions do not arise with respect to their association or work with the company.

Outside Employment

We hope that you will not find it necessary to seek additional outside employment. However, if you are planning to accept an outside position, you must notify the president in writing.

Outside employment must not conflict in any way with your responsibilities within our company. You may not work for competitors nor may you take an ownership position with a competitor.

Employees may not conduct outside work or use company property, equipment or facilities in connection with outside work while on company time.

Parking

Free parking facilities are available to employees. You are required to park within the designated areas.

The company is not responsible for loss, damage or theft of your vehicle. Therefore, we suggest that you lock your vehicle doors.

Bulletin Board

The company maintains a bulletin board(s) in our facility as an important source of information. These bulletin boards are to be used solely for company announcements and government postings.

Lunch Room

A lunch room is available for your use. Although the company provides general custodial care, you are expected to clean up after eating. This room should be kept clean for the next person's use.

Cellular Telephones

Employees in certain positions are issued company cellular telephones so they may maintain contact with clients and co-workers when they are out of the office on business.

The company is committed to ending the epidemic of distracted driving. While driving on company time, employees may not use a hand-held cell phone or PDA – whether the vehicle is in motion or stopped at a traffic light. This includes, but is not limited to, answering or making phone calls, engaging in phone conversations, and reading or responding to emails, instant messages, and text messages.

The use of cellular telephones is not a work requirement for most employees. Employees who are not issued a company cellular telephone will not be reimbursed for the use of their personal cellular telephones and are expected to make business calls from the office.

Employees are expected to demonstrate proper care of their cellular telephones. If you lose, break or damage your company cellular telephone, report it to the president at once. All cellular telephones issued by the company must be returned upon leaving our company or upon transferring to a position that does not require a company cellular telephone.

A violation of this policy may result in disciplinary action.

Contact with the Media

All media inquiries regarding the company and its operations must be referred to the president. Only the president is authorized to make or approve public statements on behalf of the company. No employees, unless specifically designated by the president, are authorized to make statements on behalf of or as a representative of the company.

Office Supplies

Our company maintains a stock of basic office supplies such as pens, paper clips, staples, note pads, etc. used on a day-to-day basis by employees. All office supplies will be provided to you by the president.

If you need additional items not regularly stocked, please speak to the president to place a special order.

All office supplies are for business use only and should not be removed from the office for non-business use. Violations of this policy may result in disciplinary action up to and including discharge.

If You Must Leave Us

Should you decide to leave your employment with us, we ask that you provide the president with at least two weeks' advance notice. Your thoughtfulness is appreciated and will be noted favorably should you ever wish to reapply for employment with the company.

Employees, who are rehired following a break in service in excess of six months, other than an approved leave of absence, must serve a new initial introductory period whether or not such a period was previously completed. Such employees are considered new employees from the effective date of their reemployment for all purposes, including the purposes of measuring benefits.

Our company does not provide a "letter of reference" to former employees. Generally, we will confirm upon request our employees' dates of employment, salary history, and job title.

Additionally, all resigning employees should complete a brief exit interview prior to leaving. All company property, including this Employee Handbook, must be returned at the end of employment. Otherwise, the company may take action to recoup any replacement costs and/or seek the return of company property through appropriate legal recourse.

You should notify the company if your address changes during the calendar year in which discharge occurs so that your tax information will be sent to the proper address.

Safety in the Workplace

Each Employee's Responsibility

Safety can only be achieved through teamwork at our company. Each employee, supervisor and manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

Please observe the following precautions:

1. Notify the president of any emergency situation. If you are injured or become sick at work, no matter how slightly, you must inform the president immediately.
2. The use of alcoholic beverages or illegal substances during working hours will not be tolerated. The possession of alcoholic beverages or illegal substances on the company's property is forbidden.
3. Use, adjust and repair machines and equipment only if you are trained and qualified.
4. Know the proper lifting procedures. Get help when lifting or pushing heavy objects.
5. Understand your job fully and follow instructions. If you are not sure of the safe procedure, don't guess; just ask the president.
6. Know the locations, contents and use of first aid and fire fighting equipment.
7. Wear personal protective equipment in accordance with the job you are performing.

A violation of a safety precaution is in itself an unsafe act. A violation may lead to disciplinary action, up to and including discharge.

Workplace Violence

Violence by an employee or anyone else against an employee, supervisor or member of management will not be tolerated. The purpose of this policy is to minimize the potential risk of personal injuries to employees at work and to reduce the possibility of damage to company property in the event someone, for whatever reason, may be unhappy with a company decision or action by an employee or member of management.

If you receive or overhear any threatening communications from an employee or outside third party, report it to the president at once. Do not engage in either physical or verbal confrontation with a potentially violent individual. If you encounter an individual who is threatening immediate harm to an employee or visitor to our premises, contact an emergency agency (such as 911) immediately.

All reports of work-related threats will be kept confidential to the extent possible, investigated and documented. Employees are expected to report and participate in an investigation of any suspected or actual cases of workplace violence and will not be subjected to disciplinary consequences for such reports or cooperation.

Violations of this policy, including your failure to report or fully cooperate in the company's investigation, may result in disciplinary action, up to and including discharge.

Workplace Searches

To protect the property and to ensure the safety of all employees, clients and the company, the company reserves the right to conduct personal searches consistent with state law, and to inspect any packages, parcels, purses, handbags, brief cases, lunch boxes or any other possessions or articles carried to and from the company's property. In addition, the company reserves the right to search any employee's office, desk, files, locker, equipment or any other area or article on our premises. In this regard, it should be noted that all offices, desks, files, lockers, equipment, etc. are the property of the company, and are issued for the use of employees only during their employment. Inspection may be conducted at any time at the discretion of the company.

Persons entering the premises who refuse to cooperate in an inspection conducted pursuant to this policy may not be permitted to enter the premises. Employees working on or entering or leaving the premises who refuse to cooperate in an inspection, as well as employees who after the inspection are believed to be in possession of stolen property or illegal substances, will be subject to disciplinary action, up to and including discharge, if upon investigation they are found to be in violation of the company's security procedures or any other company rules and regulations.

No Weapons in the Workplace

Possession, use or sale of weapons, firearms or explosives on work premises, while operating company machinery, equipment or vehicles for work-related purposes or while engaged in company business off premises is forbidden except where expressly authorized by the company and permitted by state and local laws. This policy applies to all employees, including but not limited to, those who have a valid permit to carry a firearm.

If you are aware of violations or threats of violations of this policy, you are required to report such violations or threats of violations to your president immediately.

Violations of this policy will result in disciplinary action, up to and including discharge.

In An Emergency

The president should be notified immediately when an emergency occurs. Emergencies include all accidents, medical situations, bomb threats, other threats of violence, and the smell of smoke. If the president is unavailable, contact the nearest company official.

Should an emergency result in the need to communicate information to employees outside of business hours, the president will contact you. Therefore, it is important that employees keep their personal emergency contact information up to date. Notify the president when this information changes.

When events warrant an evacuation of the building, you should follow the instructions of the president or any other member of management. You should leave the building in a quick and orderly manner. You should assemble at the pre-determined location as communicated to you by the president to await further instructions or information.

Please direct any questions you may have about the company's emergency procedures to the president.

Substance Abuse

The company has vital interests in ensuring a safe, healthy and efficient working environment for our employees, their co-workers and the clients we serve. The unlawful or improper presence or use of controlled substances or alcohol in the workplace presents a danger to everyone. For these reasons, we have established as a condition of employment and continued employment with the company the following substance abuse policy.

The company has implemented a drug testing program in compliance with local, state and federal laws. Employees are prohibited from reporting to work or working while using illegal or unauthorized substances. Employees are prohibited from reporting to work or working when the employee uses any controlled substance, except when the use is pursuant to a doctor's orders and the doctor advised the employee that the substance does not adversely affect the employee's ability to safely perform his or her job duties.

In addition, employees are prohibited from engaging in the unlawful or unauthorized manufacture, distribution, sale or possession of illegal or unauthorized substances and alcohol in the workplace including: on company paid time, on company premises, in company vehicles, or while engaged in company activities. Our employees are also prohibited from reporting for duty or remaining on duty with any alcohol in their systems. Employees are further prohibited from consuming alcohol during working hours, including meal and break periods.

Your employment or continued employment with the company is conditioned upon your full compliance with the foregoing substance abuse policy. Any violation of this policy may result in disciplinary action, up to and including discharge. Furthermore, any employee who violates this policy who is subject to discharge, may be permitted in lieu of discharge, at the company's sole discretion, to participate in and successfully complete an appropriate treatment, counseling or rehabilitation program as recommended by a substance abuse professional as a condition of continued employment and in accordance with applicable federal, state, and local laws.

Consistent with its fair employment policy, the company maintains a policy of non-discrimination and reasonable accommodation with respect to recovering addicts and alcoholics, and those having a medical history reflecting

treatment for substance abuse conditions. We encourage employees to seek assistance before their substance or alcohol use renders them unable to perform their essential job functions or jeopardizes the health and safety of themselves or others. The company will attempt to assist its employees through referrals to rehabilitation, appropriate leaves of absence and other measures consistent with the company's policies and applicable federal, state or local laws.

The company further reserves the right to take any and all appropriate and lawful actions necessary to enforce this substance abuse policy including, but not limited to, the inspection of company issued lockers, desks or other suspected areas of concealment, as well as an employee's personal property when the company has reasonable suspicion to believe that the employee has violated this substance abuse policy.

This policy represents management guidelines. For more information, please speak to the president.

Receipt of Employee Handbook and Employment-At-Will Statement

This is to acknowledge that I have received a copy of the Carleton Inc Employee Handbook and I understand that it contains information about the employment policies and practices of the company. I agree to read and comply with this Employee Handbook. I understand that the policies outlined in this Employee Handbook are management guidelines only, which in a developing business will require changes from time to time. I understand that the company retains the right to make decisions involving employment as needed in order to conduct its work in a manner that is beneficial to the employees and the company. I understand that this Employee Handbook supersedes and replaces any and all prior Employee Handbooks and any inconsistent verbal or written policy statements.

I understand that except for the policy of at-will employment, the company reserves the right to revise, delete and add to the provisions of this Employee Handbook at any time without further notice. All such revisions, deletions or additions to the Employee Handbook will be in writing and will be signed by the president of the company. I understand that no oral statements or representations can change the provisions of this Employee Handbook.

I understand that this Employee Handbook is not intended to create contractual obligations with respect to any matters it covers and that the Employee Handbook does not create a contract guaranteeing that I will be employed for any specific time period.

**THIS COMPANY IS AN AT-WILL EMPLOYER. THIS
MEANS THAT REGARDLESS OF ANY PROVISION IN
THIS EMPLOYEE HANDBOOK, THE COMPANY OR I
MAY TERMINATE THE EMPLOYMENT
RELATIONSHIP AT ANY TIME, FOR ANY REASON.**

WITH OR WITHOUT CAUSE OR NOTICE. NOTHING IN THIS EMPLOYEE HANDBOOK OR IN ANY DOCUMENT OR STATEMENT, WRITTEN OR ORAL, SHALL LIMIT THE RIGHT TO TERMINATE EMPLOYMENT AT-WILL. NO OFFICER, EMPLOYEE OR REPRESENTATIVE OF THE COMPANY IS AUTHORIZED TO ENTER INTO AN AGREEMENT—EXPRESS OR IMPLIED—WITH ME OR ANY EMPLOYEE FOR EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME. ANY AGREEMENT TO EMPLOYMENT FOR A SPECIFIED PERIOD OF TIME WILL BE PUT INTO WRITING AND SIGNED BY THE PRESIDENT OF THE COMPANY.

I understand that this Employee Handbook refers to current benefit plans maintained by the company and that I must refer to the actual plan documents and summary plan descriptions as these documents are controlling.

I have read and understand the Paid Time Off (PTO) Policy in this Employee Handbook.

Initials _____ Date _____

I also understand that if a written contract is inconsistent with the Employee Handbook, the written contract is controlling.

If I have questions regarding the content or interpretation of this Employee Handbook, I will ask the president or a member of management.

NAME _____

DATE _____

EMPLOYEE
SIGNATURE _____

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