



NETWORK
CONTROLS

NETWORK CONTROLS & ELECTRIC, INC.

EMPLOYEE HANDBOOK

Revised: December 15, 2016

Contents

WELCOME	6
VISION & MISSION STATEMENTS	7
PURPOSE OF HANDBOOK	8
ADMINISTRATION	8
GENERAL EMPLOYMENT POLICIES	9
EQUAL OPPORTUNITY EMPLOYER	9
GINA	9
AMERICANS WITH DISABILITY ACT	9
AT-WILL EMPLOYMENT.....	10
IMMIGRATION COMPLIANCE.....	10
EMPLOYEE RELATIONS AND OPEN DOOR.....	10
INTRODUCTORY PERIOD	11
EXPECTATIONS.....	11
EMPLOYMENT OF RELATIVES	11
NON-FRATERNIZATION	12
OUTSIDE EMPLOYMENT.....	12
EMPLOYEE RECORDS	12
ACCESS TO PERSONNEL FILES	13
DRIVING HISTORY REPORT / USE OF NETWORK CONTROLS VEHICLE	13
TRAVEL AND PERSONAL EXPENSE CLAIMS	14
EMPLOYMENT SEPARATION	16
WORK CONDITIONS	18
HEALTH AND SAFETY	18
EMERGENCY EVACUATIONS AND FIRE PREVENTION	19
WORKERS' COMPENSATION	19
NON-HARASSMENT AND NON-DISCRIMINATION.....	20
SUBSTANCE ABUSE.....	22
TOBACCO FREE ENVIRONMENT	23

ATTENDANCE AND PUNCTUALITY	23
RULES OF CONDUCT & DISCIPLINARY ACTION	24
BUSINESS ETHICS AND CONDUCT	26
ASSOCIATE'S PERSONAL PROPERTY	27
THEFT	27
NON-DISCLOSURE OF CONFIDENTIAL INFORMATION	27
NO SOLICITATION/DISTRIBUTION	28
BULLETIN BOARDS.....	28
DRESS CODE	29
USE OF COMPANY PROPERTY & EQUIPMENT	29
INTERNET ACCESS	30
USE OF COMPUTERS, E-MAIL, & INTERNET	30
WAGE AND SALARY ADMINISTRATION	32
EMPLOYMENT CATEGORIES AND CLASSIFICATIONS	32
PAYDAYS, PAYROLL RECORDS AND WORKWEEK	33
WORK SCHEDULES AND MEAL BREAKS	33
OVERTIME	33
TIMEKEEPING PROCEDURES	34
DIRECT DEPOSIT	34
DEDUCTIONS FROM PAY	34
PERFORMANCE EVALUATIONS	34
EMPLOYEE BENEFIT PROGRAMS	35
ELIGIBILITY FOR BENEFITS	35
LEGALLY MANDATED BENEFITS	35
PAID TIME OFF (PTO) – Vacation/Holidays/Bereavement	35
ANNIVERSARY DATE	37
HEALTH, DENTAL AND VISION INSURANCE.....	37
DISABILITY AND LIFE INSURANCE	37
401(K) RETIREMENT PLAN	38
OTHER BENEFITS	38
CONTINUATION OF HEALTH COVERAGE (COBRA)	38

LEAVES OF ABSENCE 39
FAMILY MEDICAL LEAVE (FMLA) 39
NATIONAL GUARD OR MILITARY LEAVE 42
PERSONAL LEAVE/MEDICAL LEAVE..... 43
CLOSING STATEMENT 44



WELCOME

“Providing high performance data infrastructure and technology solutions”

Welcome to the Network Controls Family!

We welcome you to Network Controls and wish you every success here. We believe each employee contributes directly to our company’s growth and success and we hope you will take pride in being a member of our team.

Network Controls is comprised of many individuals who work together as a team and are committed to two guiding principles: **customer satisfaction** and **continuous improvement**. Therefore, employees should feel an individual responsibility to cooperate with their co-workers and to bring their best ideas and efforts to every job undertaken. Through cooperation, teamwork and the mutual respect of every employee, Network Controls will continue to develop and prosper as an organization. Should you have suggestions or concerns, please make them known to your supervisor or manager. Please refer to the contents of this Employee Handbook for more detailed information.

This handbook is designed to provide you with the general information about working conditions, employee benefits and employment policies. You should read and understand all the provisions of the handbook.

No employee handbook can anticipate every circumstance or situation. Therefore, Network Controls reserves the right to revise, supplement, or rescind any policy or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. Employees will generally be notified of such changes to the handbook as they occur, and the latest revision will be posted online for your access through your payroll portal.

Again, welcome to Network Controls. We hope that your experience here will be challenging, enjoyable and rewarding.

Edward Niles, CEO



VISION & MISSION

VISION

It is our vision to become the best-qualified & most professional company in our industry, setting the highest standards.

Not the biggest, not the cheapest, but the best.

MISSION STATEMENT

Network Controls provides our Customers with effective quality connectivity to the world.

PURPOSE OF HANDBOOK

This Handbook is designed to be a summary of current personnel policies and practices as they apply to Network Controls & Electric (“NETWORK CONTROLS” or the “Company”) personnel. Although this Handbook is not a contract or legal document, it does provide a working guide for use in understanding and applying some of the NETWORK CONTROLS current policies and practices. It is meant to be helpful to all employees, supervisors and management. NETWORK CONTROLS reserves the right to add, modify or delete policies and provisions at any time at its sole discretion.

There may be situations that arise that are not covered, either directly or indirectly, by these policies. In such instances, NETWORK CONTROLS policy is determined at the sole discretion of the Company on a case-by-case basis. Accordingly, the policies in this Handbook are subject to change as deemed appropriate by management. Should any provision in this Handbook be found to be unenforceable or invalid, such finding does not invalidate the entire Handbook, but only that particular provision.

Neither this Handbook, nor the policies contained in it, creates a contract of employment, express or implied, between NETWORK CONTROLS and its employees. All employees of NETWORK CONTROLS are employees at-will at all times. This means that either NETWORK CONTROLS or you can terminate the employment relationship at any time for any reason, without notice.

This Handbook supersedes and replaces any and all other NETWORK CONTROLS employee Handbooks, or other policies, whether written or verbal. If at any time you have questions about the policies of NETWORK CONTROLS, please contact Human Resources.

The latest revision of the Handbook will be posted online and can be accessed through your Payroll Portal.

ADMINISTRATION

The CEO is responsible for the overall administration and interpretation of this adopted Handbook and the policies contained therein. However, these may also be delegated to the designated representative(s), where appropriate.

All matters, pertaining to the interpretation of policies within this Handbook, are referred to the CEO or the designated representative(s).

Policies within this Handbook may be reviewed on an annual basis or more frequently as needed; but policies may be changed, added to or deleted, or exceptions made at any time upon approval of NETWORK CONTROLS’s CEO with or without prior notice.

This Handbook is subject in all respects to applicable law. If there is any conflict between any term of this Handbook and applicable law, applicable law governs. **No employee, director or agent of NETWORK CONTROLS has the authority, express or implied, to violate any law, statute, regulation or ordinance or to instruct anyone else to do so.**

GENERAL EMPLOYMENT POLICIES

EQUAL OPPORTUNITY EMPLOYER

It is the policy of NETWORK CONTROLS to comply with all federal and/or state laws regarding equal employment as they relate to all employees and applicants for employment. In order to provide equal employment and advancement opportunities to all individuals, NETWORK CONTROLS strives to base employment decisions on merit, qualifications, and abilities.

NETWORK CONTROLS does not discriminate in employment opportunities or practices on the basis of race, color, sex, religion, age, national origin, physical or mental disability, veteran status, citizenship status, genetic information, pregnancy, or any other classification protected by law, except where a bona fide occupational qualification applies. This Equal Employment Opportunity (EEO) policy statement covers all phases of employment including, but not limited to, recruitment, placement, promotion, transfer, rates of pay and other forms of compensation, benefits, layoffs, recalls, terminations, selection for training, use of facilities, and participation in NETWORK CONTROLS sponsored activities.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor, the Human Resources Department, or any executive officer. Employees may raise good faith concerns and make good faith reports without fear of reprisal. Anyone found to be engaging in unlawful discrimination or harassment may be subject to disciplinary action, up to and including termination.

GINA

The Genetic Information Nondiscrimination Act of 2008 (GINA) prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of employees or their family members. In order to comply with this law, we do not request, nor should you or your physician provide, any genetic information to NETWORK CONTROLS or its representatives.

GINA defines “genetic information” to include an individual’s family medical history, the results of an individual’s or family member’s genetic tests, the fact that an individual or an individual’s family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual’s family member or of an embryo lawfully held by an individual or family member receiving assistive reproductive services.

AMERICANS WITH DISABILITY ACT

NETWORK CONTROLS is committed to ensuring equal employment opportunity for qualified individuals with disabilities as defined under the Americans with Disabilities Act (“ADA”). The ADA defines “disability” as a physical or mental impairment that substantially limits one (1) or more of the major life activities of an individual, a record of such impairment, or being regarded as having such an impairment.

NETWORK CONTROLS recognizes its duty to provide reasonable accommodations to qualified individuals with known disabilities, unless doing so may result in an undue hardship. It is your responsibility to inform your Supervisor or Human Resources if you feel that you are disabled and that an accommodation is needed in order for you to perform the essential functions of your position. All employees are required to comply with safety standards.

AT-WILL EMPLOYMENT

All employees of NETWORK CONTROLS, whether full-time, part-time, temporary, hourly or salaried, are **employees-at-will**. This means that both NETWORK CONTROLS and the employee can terminate the employment relationship at any time for any or no reason, with or without prior notice. No supervisor or member of management, except for the chief executive officer, has the authority to bind the Company to any employment contract for any specified period of time with any employee. A valid contract for employment between NETWORK CONTROLS and any employee must be in writing and personally signed by the chief executive officer and the employee.

IMMIGRATION COMPLIANCE

NETWORK CONTROLS complies with all applicable federal and state laws relating to the employment of legally authorized workers and does not knowingly employ or contract with persons who are unauthorized to work in the United States or discriminate on the basis of citizenship, national origin or any other unlawful basis. NETWORK CONTROLS expects all of its employees to help safeguard the Company's compliance efforts by adhering to the requirements of these laws.

Specifically, our Company complies with the federal Immigration Reform and Control Act of 1986 ("IRCA") and the South Carolina Illegal Immigration Reform Act requirements. As required by applicable federal and state law, all offers of employment are contingent on verification of authorization to work in the United States (through the proper administration of the Form I-9 and E-verify.) If an employee cannot verify or re-verify his/her right to work in the United States within the legally required timeframes, NETWORK CONTROLS is required by law to withdraw the offer of employment and/or terminate the employment relationship.

NETWORK CONTROLS policy prohibits discrimination against individuals on the basis of national origin or citizenship or any other unlawful basis. The Company does not require employees to produce documentation of their authorization to work in the United States beyond that required or permitted by IRCA.

EMPLOYEE RELATIONS AND OPEN DOOR

NETWORK CONTROLS believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that NETWORK CONTROLS demonstrates its commitment to employees by responding effectively to employee concerns.

A clear and open channel for the expression of employee suggestions and complaints is a fundamental principle of sound employee relations. Therefore, employees are encouraged to talk with their supervisor, the Human Resources Department or any executive officer about any problem, complaint or suggestion that might arise concerning their work.

INTRODUCTORY PERIOD

Your first 90 days of employment are considered your “training” period. During this time, your manager and co-workers make every effort to help you achieve a satisfactory job performance. Employees whose performance is not satisfactory may be terminated at any time during the training period.

Successful completion of the training period does not guarantee continued employment for any specified period of time, nor does it require that an employee be terminated only for "cause" following the training period.

EXPECTATIONS

As an employee of NETWORK CONTROLS, you should give your full and enthusiastic support to NETWORK CONTROLS goals. Learn and use our methods, attend required meetings, trainings, and follow all guidelines.

Our relationship with customers is the key to our success. You must give 100% support in a friendly and professional manner to clients. You must inform Management of all happenings on your project and your interface with the client.

You must comply with our rules and policies. Failure to abide by these rules may result in disciplinary action or termination of employment.

Additionally, NETWORK CONTROLS believes in continual improvement and training for everyone. You are personally accountable for your personal and professional development. Continual learning and improvement of professional skills is expected and required. Training and skills development are important considerations in evaluation of your performance and in your success at NETWORK CONTROLS.

Personal time is expected and required from each employee for continued development. It is your responsibility to complete, learn, and implement required training promptly. Inform your Supervisor of any training or courses you complete during your employment. Expect your Supervisor to review professional development with you during performance evaluations. Be prepared to share your long range learning plans and present learning opportunities with your Supervisor at this time.

EMPLOYMENT OF RELATIVES

NETWORK CONTROLS looks for the most qualified individuals when hiring. Employees' relatives may apply for positions within the NETWORK CONTROLS, but two (2) related people cannot work in a direct reporting relationship, in a situation where one person has effective control over the other's employment, where they share responsibility for control of any corporate assets, where the positions of the two (2) related employees might create an appearance of impropriety or a perception of conflict of interest, or where they work in the same department. Each potential hire of a current employee's relative is reviewed on a case-by-case basis and CEO has the discretion to make exceptions on a case by case basis.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. Human Resources must approve before hire.

NON-FRATERNIZATION

Generally, NETWORK CONTROLS does not seek to regulate the private social behavior of its employees. However, when certain relationships cause a conflict of interest within or have a negative impact on the Company, the policy below applies. In general, it is against the policy of NETWORK CONTROLS for an individual to supervise or work in the same department as another individual with whom he or she shares a social or family relationship. Social relationships include dating or other intimate or close relationships. Family relationships include spouses, parent-child, siblings, in-laws, aunts, uncles and stepfamily. CEO has the discretion to make exceptions on a case by case basis.

OUTSIDE EMPLOYMENT

Employment with NETWORK CONTROLS remains the employee's primary responsibility. Even with advance written approval, outside employment should not conflict with an employee's work, productivity, or focus. Outside employment frequently interferes with the performance of an employee's work. Full time employees of NETWORK CONTROLS may not hold other jobs unless advance written approval is obtained from an executive officer. However, it is NETWORK CONTROLS policy to allow its variable hour employees to hold second jobs, subject to certain potential restrictions, such as non-compete and/or exclusivity agreements.

Employees should not engage in any activity which actually or potentially competes or is in conflict with Company interests in any way. Employees should direct questions regarding specific situations to the Human Resources Department.

Employees who do engage in outside employment are not allowed or permitted to use NETWORK CONTROLS equipment or property in the course of such employment nor should the outside employment be with a competitor or employer who is in the same line of work as Network Controls.

EMPLOYEE RECORDS

Your employee records are maintained by Human Resources and it is important that the following information be kept up-to-date. It is your responsibility to inform Human Resources when any of these records need to be changed. Failure to do so may jeopardize some of your benefits.

- Legal name (employees should also notify the Social Security Administration regarding a legal name change to avoid E-Verify mismatches)
- Home address
- Telephone number(s)
- Emergency contact(s)
- Beneficiary
- Exemptions on your W-4 tax form
- Training certificates or licenses
- Driving record or status of driver's license, if driving is a part of your job responsibilities.

Employee records are the property of the Company and remain so after separation of employment.

ACCESS TO PERSONNEL FILES

NETWORK CONTROLS maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of NETWORK CONTROLS, and access to the information they contain is restricted. Generally, only supervisors and management personnel of NETWORK CONTROLS who have a legitimate reason to review information in a file are allowed to do so. Employees who wish to review their personnel file may make an appointment with Human Resources. Employees are not permitted to remove or make copies of items within their personnel files.

DRIVING HISTORY REPORT / USE OF NETWORK CONTROLS VEHICLE

An employee who may operate a motor vehicle in connection with his/her duties must have and maintain a satisfactory driving record and appropriate driver's license. NETWORK CONTROLS, at its sole discretion, may require an employee to provide his/her driving history report from the appropriate state agency.

An employee may be deemed unqualified to operate NETWORK CONTROLS vehicles for any reason, including but not limited to, concerns regarding the operation of vehicles in an unsafe manner, at the sole discretion of NETWORK CONTROLS. NETWORK CONTROLS may disqualify current or potential drivers for any other reason it deems appropriate, including but not limited to the inability to insure the individual or the cost of doing so. If the employee is excluded from liability coverage, he/she may be terminated or reassigned to a non-driving position at the sole discretion of NETWORK CONTROLS.

Only employees who have been expressly approved by NETWORK CONTROLS may operate a vehicle on behalf of NETWORK CONTROLS. The following procedures apply when an employee is involved in an accident with a NETWORK CONTROLS vehicle or while otherwise performing services for the company:

1. Contact emergency personnel to render first aid and help to the injured.
2. Contact an appropriate law enforcement officer.
3. Try to secure the names, addresses, and telephone numbers of any witnesses.
4. Do not admit, make statements about, or express opinions regarding liability.
5. Contact Human Resources immediately to report the accident.
6. If required by state law, submit the "Verification of Insurance" report to Human Resources.
7. If requested to do so, submit a written accident report to Human Resources.
8. Employees involved in an accident may be required to submit to a drug test on the same day unless otherwise precluded from doing so due to injuries sustained in the accident.

Failure to timely report accidents involving a NETWORK CONTROLS vehicle or while otherwise performing services for the company may result in disciplinary action, up to and including termination.

TRAVEL AND PERSONAL EXPENSE CLAIMS

While you are out-of-town on company business, NETWORK CONTROLS will pay per diem for meals and incidental related expenses. **PLEASE NOTE:** *It is strongly encouraged that checks issued for reimbursement of expenses be cashed within 15 days. A charge of \$30 will be deducted from the amount owed if a replacement check must be issued.*

Per diems apply to business related travel on behalf of NETWORK CONTROLS for trips including **overnight stays only**. The per diem rate of \$20.00 will be provided to cover the cost of meals, tips and incidental expenses within the U.S.A and Canada. The allowance is broken down as follows.

- Dinner \$25 for trips starting before or ending after 6:00 pm

Note: *There will be no reimbursement for Breakfast and Lunch as these would be meals the employee would normally pay for during a regular workday whether in-town or out-of-town.*

If a meal is provided free of charge to the traveler, the per diem amount of that meal (\$25) has to be deducted from the per diem allowance for that day except to the extent of trips and incidental expenses. The same rule applies if the traveler invites a customer for a meal. It may not be carried over to any other meal or expended on any other item.

It is understood that certain locations are very expensive and would cause undue hardship on the traveler to secure meals and pay for incidentals at the specified per diem allowance. The traveler may be allowed, in such case, to disregard the per diem allowance and submit for reimbursement of actual expenditures or to negotiate a higher per diem rate. ***This must be done in advance of the trip with approval from the Director of Administration or CEO.*** If the traveler has selected this option, receipts must support the actual cost of these meals; and these expenditures will be reviewed as to reasonableness and necessity. A statement is necessary describing the circumstance supporting the decision to deviate from the policy.

NETWORK CONTROLS Reimbursable Expenses

- Airfare
- Mileage for a personal vehicle
- Rental car
- Gas for company vehicle or rental car
- Hotel room
- Per Diem
- Purchases required for project

Other expenses must be pre-approved by your Supervisor.

NETWORK CONTROLS Non-Reimbursable Expenses

- Tobacco
- Lunches during in-town start up work
- Personal recreation
- In-room movies or any other movie rentals

Contact the Director of Administration as soon as travel dates are confirmed so that arrangements can be made. Retain all receipts incurred while traveling on NETWORK CONTROLS business. For reimbursement, attach receipts to a printed copy of the NETWORK CONTROLS Expense Report and submit to your Supervisor. Expense reports are filed on a monthly basis.

You must get approval from your Supervisor or NETWORK CONTROLS Management prior to any deviation from this policy, including gifts in lieu of lodging or meals.

Compensable and Non-Compensable Travel

BACKGROUND		
The Network Controls travel policy has been established as a guideline for employees and management to follow when an employee travels locally, out of town for the day, or overnight travel.		
The travel policy is in accordance with Title 29, Part 785 of the Code of Federal Regulations, U.S. Department of Labor Wage and Hour Division, and WH Publication 1312.		
Obviously every situation cannot be defined in a policy. The CEO of the company has the right to use his discretion on a case by case scenario when travel is necessary outside of the defined policy.		
COMMUTING	Compensable	Non-Compensable
Definition: § 785.35 Home to work; ordinary situation. An employee who travels from home before his regular workday and returns to his home at the end of the workday is engaged in ordinary home to work travel which is a normal incident of employment. This is true whether he works at a fixed location or at different job sites. Normal travel from home to work is not worktime.		
Driving company vehicle from office or other designated location (not employee's home) to and from jobsite.	X	
Travel between jobsites	X	
Ordinary commute from home to office other designated location (job site). This includes driving your personal or a company vehicle.		X
OUT OF TOWN ASSIGNMENT (ONE DAY)	Compensable	Non-Compensable
Definition: § 785.37 Home to work on special one-day assignment in another city. A problem arises when an employee who regularly works at a fixed location in one city is given a special 1-day work assignment in another city. Such travel cannot be regarded as ordinary home-to-work travel occasioned merely by the fact of employment. All the time involved, however, need not be counted. Since, except for the special assignment, the employee would have had to report to his regular work site, the travel between his home and the office or normal work site may be deducted, it being in the "home-to-work" category. Also, of course, the usual meal time would be deductible. Network Controls defines Out of Town travel as greater than 60 miles from your normal commute.		
<i>Driver or Passenger</i> – time spent traveling to and/or returning from out of town jobsite(s), regardless of hours when travel is done. *Company may, however, deduct time of employee's normal commute to the regular worksite, if employee is traveling by car*	X	
<i>Driver or Passenger</i> – regular meal periods or personal time during the trip when employee is not otherwise performing work or services.		X
<i>Driver or Passenger</i> – time spent commuting to airport, rail station, or other common carrier prior to the trip and time spent commuting home from airport, rail station, or another common carrier at the end of the trip.		X

OUT OF TOWN ASSIGNMENT (OVERNIGHT)	Compensable	Non-Compensable
Definition: § 785.39 Travel away from home community. Travel that keeps an employee away from home overnight is travel away from home. Travel away from home is clearly worktime when it cuts across the employee's workday.		
<i>Driver</i> – time spent traveling by car to or from an out of town jobsite.	X	
<i>Passenger by Car or Flight</i> – time spent traveling by car or airplane to or from an out of town jobsite, if the time cuts across the employee's normal work hours (regardless of the day)	X	
<i>Passenger by Car or Flight</i> – time spent traveling by car or airplane to or from an out of town jobsite, if the time does not cut across the employee's normal work hours. Per regulations, Network Controls does not have to recognize this as compensable time, however, we believe it is the right business decision to compensate for this time.	X	
<i>Driver or Passenger</i> – regular meal periods during the trip.		X
<i>Driver or Passenger</i> – time spent commuting to airport, rail station, or other common carrier prior to the trip and time spent commuting home from airport, rail station, or another common carrier at the end of the trip.		X

EMPLOYMENT SEPARATION

Separation of employment is an inevitable part of personnel activity within any Company, and many of the reasons for separation are routine. Below are examples of some of the most common circumstances under which employment is separated:

- **Resignation** - voluntary employment separation initiated by an employee. Although advance notice is not required, as a common business courtesy, NETWORK CONTROLS asks for at least two (2) weeks written resignation notice from all employees. There is no guarantee that employees will be retained for two (2) weeks after giving notice of resignation or paid in lieu of notice. Working the entire notice period may be waived at NETWORK CONTROLS's sole discretion.
- **Discharge/Termination** - involuntary employment termination initiated by the company. Employment with NETWORK CONTROLS is considered at-will. Employees are free to resign at any time and for any reason (including no reason) and NETWORK CONTROLS has the same right to terminate the employment relationship at any time and for any reason (including no reason).
- **Reduction of Force (ROF) and/or Layoff** - involuntary employment separation initiated by the company for non-disciplinary reasons. Separation of employees may be imposed as a result of economic necessity, operational and/or any other reason which requires a reduction in the present work force. After considering business needs, qualifications necessary to perform available jobs, length of service, and EEO Title VII factors, excess employees may be laid off.
- **Retirement** - voluntary employment separation initiated by the employee meeting age, length of service, and any other criteria for retirement from the company. Payment of any and all accrued and unused vacation will be given to the retiring employee. Any unused holidays and sick days are forfeited.

Return of Company Property: Any property issued to you, such as Employee Handbook, tools, client lists and information, software, computer equipment, software, databases, files, manuals, pager, keys, access codes, badges, documents, equipment, cell phones, credit cards, uniforms, vehicles, protective equipment, or other property provided, must be returned at the time of your separation or at any time upon request of the company. You will be responsible for any lost or damaged items. The value of any property issued and not returned may be deducted from your final paycheck to the maximum extent allowed by law, and you may be required to sign a wage deduction authorization form for this purpose, unless prohibited by law.

Termination of Benefits/COBRA: Employee benefits will be affected by employment separation in the following manner:

- The employee's current Group Medical, Dental and Vision insurance normally expires on the last day of the month in which you are terminated. Other ancillary coverages typically terminate the last day of work.
- All accrued earnings that are due and payable at separation will be paid at the time of the employee's next regular pay period. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.
- Appropriate information regarding benefits will be mailed to all separated, benefitted employees. They should receive their package within two (2) weeks after their separation date. The separation package includes a COBRA Rights Notification letter and COBRA enrollment form.

WORK CONDITIONS

HEALTH AND SAFETY

Safety is of primary importance in our operations. Each of us has the responsibility to make our safety and the safety of our co-workers a basic concern. This objective is fundamental to our wellbeing, as well as to the efficient operation of our business. Safety can only be achieved through working together at NETWORK CONTROLS. Each employee, Supervisor and Manager must practice safety awareness by thinking defensively, anticipating unsafe situations and reporting unsafe conditions immediately.

A safe, healthy and environmentally sound workplace is accomplished through a variety of NETWORK CONTROLS activities, including safety education, training on the use of certain equipment and job instruction. The best way to assure a safe working environment is to prevent unsafe working conditions. Employees are required to use Personal Protective Equipment (safety shoes and safety glasses) when they are present in any part of the electrical and or mechanical shop.

If you should be injured on the job you are asked to contact the following individuals as soon as possible:

- Your immediate Supervisor
- Safety Manager
- Human Resources Department

If necessary, you will be provided with authorization for medical treatment and advised where to go for medical attention.

You will receive further Accident Reporting training on job related injuries during Orientation.

Violence in the Workplace

The safety and security of the Company's employees, customers, vendors, contractors, and the general public are important. Acts of violence made by an employee against another person's life, health, well-being, family, or property are not tolerated. Employees found guilty of acts or threats of violence may be subject to disciplinary action, up to and including immediate termination.

While this list is not exhaustive, the Company specifically prohibits the following:

- Any act or threat of violence made by an employee against another;
- Any act or threat of violence, including but not limited to intimidation, harassment, or coercion;
- Any act or threat of violence which endangers the safety of employees, customers, vendors, contractors, or the general public;
- Any act or threat of violence made directly or indirectly by words, gestures or symbols;
- Use or possession of a weapon on the Company's premises.

It is a requirement that employees report, in accordance with this policy, any behavior that compromises NETWORK CONTROLS ability to maintain a safe work environment.

Workplace Searches

To protect NETWORK CONTROLS property and to ensure the safety of all employees at NETWORK CONTROLS, 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 NETWORK CONTROLS property.

In addition, NETWORK CONTROLS 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 NETWORK CONTROLS .

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, may be subject to disciplinary action, up to and including termination, if upon investigation they are found to be in violation of NETWORK CONTROLS's security procedures or any other company rules and regulations.

EMERGENCY EVACUATIONS AND FIRE PREVENTION

In case of fire, know the location of the fire extinguisher(s) in your area and ensure they are kept clear at all times. If you see that an extinguisher is used or if the seal is broken, notify the Safety Manager as soon as possible.

If you become aware of a fire,

- Dial 911 or the local fire department
- Evacuate all employees, members, and participants from the area immediately
- Do not attempt to fight the fire

If you are advised to evacuate the building,

- Stop all work immediately
- Walk to the nearest exit, including emergency exit doors
- Exit quickly and do not run. Do not stop for personal belongings
- Proceed, in an orderly fashion, to the Company parking lot
- Find your group and be present during roll call
- Contact outside emergency response agencies, if possible and if needed

Do not re-enter the building until directed to do so by the fire department.

WORKERS' COMPENSATION

You are covered by workers' compensation insurance effective immediately upon being employed by the Company. This is a form of insurance that covers on-the-job injuries and accidents. The cost of this insurance is paid entirely by NETWORK CONTROLS. **In the event of any accident or injury to you on the job, no matter how insignificant, you must report the injury immediately to your supervisor.** Never disregard an injury, no matter how unimportant it may appear at the time. This is essential since workers' compensation may not cover injuries which are not reported promptly. When you report your injury or accident, you may be given first aid treatment, and you may be instructed to report to a doctor or hospital. Your eligibility for insurance benefits may depend on your following such instructions. Filing a false or fraudulent Workers' Compensation claim can result in immediate termination.

NON-HARASSMENT AND NON-DISCRIMINATION

It is the policy of NETWORK CONTROLS that each employee be provided the opportunity to work without the embarrassment or frustration that can be caused by any form of harassment or discrimination on the job. Harassment and discrimination, in any form, have no place at NETWORK CONTROLS and are not tolerated by NETWORK CONTROLS.

NETWORK CONTROLS is committed to providing a work environment that is free of unlawful discrimination and harassment based on race, color, religion, sex, pregnancy, genetic information, national origin, ethnic background, age, disability, veteran status, or any other characteristic protected by applicable law. This policy applies to conduct occurring in the workplace and other settings in which employees may be in connection with work, such as business trips and related social events.

Harassment or illegal discrimination of any person with whom you come in contact during your work at the Company and other illegal discrimination are prohibited. Harassment can include, without limitation, verbal and written harassment (epithets, derogatory statements, remarks about an individual's body, degrading words used to describe an individual, demands for sexual relations or sexual contact, threats or insinuations that the person's employment, wages, promotional opportunities, work assignments or other conditions of employment may be adversely affected by not submitting to sexual advances or improved by submitting to those advances, unwelcome jokes, slurs, etc.), physical harassment (touching or physical interference with normal work), visual harassment (leering, making sexual or inappropriate gestures, displaying sexually suggestive posters, cartoons, or drawings), and innuendo. Sexual harassment includes unwelcome sexual advances, requests for sexual acts or favors, or other verbal, visual or physical conduct that is either (1) sexual in nature or (2) directed at a person's gender, when submission is made either explicitly or implicitly a term or condition of an individual's employment or is used as a basis for employment decisions, or the conduct has the purpose or effect of interfering with an individual's working conditions or performance by creating an intimidating, hostile or offensive work environment.

Sexual harassment is not limited to express demands for sexual favors. It also may include actions such as: (1) sexually-oriented or gender-based kidding, teasing or jokes; (2) repeated offensive sexual flirtations, advances or propositions; (3) continued or repeated verbal abuses of a sexual or gender-specific nature; (4) graphic or degrading comments about an individual, his or her appearance, and/or gender; (5) the display of sexually suggestive objects or pictures; (6) subtle pressure for sexual activity; or (7) unwelcome physical conduct such as petting, pinching, or brushing against another's body.

Reporting

If you observe, experience or are threatened by any sort of harassment or discrimination by any person in the course of your work at the Company (whether by a fellow employee, supervisor, manager, vendor, visitor, customer or any other person), immediately contact your supervisor or Human Resources. If one of those persons is suspected of being involved in the discrimination, harassment or unwelcome conduct, or you otherwise are uncomfortable approaching your supervisor or Human Resources, please contact any member of the Senior Team.

You should also use this process to immediately report if in the course of your work you believe that the actions or words of a supervisor, another employee or a non-employee constitute discrimination of any nature, harassment or retaliation against another employee. Retaliation against employees for making good faith complaints about sexual harassment or any other form of unlawful discrimination or harassment is prohibited by law and NETWORK CONTROLS's policy.

Upon notification of a harassment claim, NETWORK CONTROLS intends to promptly undertake an investigation. Complaints of harassment and any actions taken internally to investigate and resolve harassment complaints are intended to be kept confidential to the extent practicable and appropriate and as determined on a case by case basis. Information is released only on a “need to know” basis and as determined by the company.

NETWORK CONTROLS, in determining whether to release information, may consider, among other factors, the need to protect witnesses and prevent cover ups, evidence destruction and/or the fabrication of testimony. Any employee contacted during an investigation should cooperate fully. Individuals who provide false information in an investigation are subject to adverse employment action, up to and including immediate termination at the sole discretion of the company. If the investigation substantiates the complaint, the company intends to take appropriate corrective action as it deems necessary at its sole discretion.

Any employee violating NETWORK CONTROLS’s policy against harassment may be subject to discipline, up to and including termination. Employees are strongly encouraged to bring concerns and complaints about harassment in the workplace to the attention of the individuals identified above, and should not attempt to deal with such issues alone.

An employee who remains unsatisfied during or after the investigation of his or her harassment or discrimination complaint or believes that an investigation was untimely or insufficient should promptly seek review by an executive officer of NETWORK CONTROLS.

Non-Retaliation

NETWORK CONTROLS’s policy prohibits retaliation against any employee who complains in good faith of sexual or other harassment or discrimination or provides truthful information in connection with any such complaint. No employee or applicant for employment is subject to restraint, interference, coercion or reprisal for seeking information about harassment or discrimination, filing a harassment or discrimination complaint or serving as a witness with respect to such complaint. Any employee who believes that he or she has been retaliated against in violation of this policy should immediately report the matter to his/her supervisor, the HR Manager or other member of management.

NETWORK CONTROLS also strictly prohibits retaliation against any person for making a report, requesting guidance or providing information about any matter they reasonably believe constitutes a violation of law, or for participating in, cooperating or assisting in any investigation, or providing testimony in any governmental proceeding. Our policy also strictly prohibits retaliation against a person who provides truthful information relating to the commission or possible commission of a federal offense or who reasonably believed that what he or she reported constituted a violation— even if it later turns out that the person was mistaken in reporting the matter originally. Our policy also prohibits intentionally filing a false report. If you suspect that you or someone else has been retaliated against, you should report the matter promptly to the Human Resources or a Member of the Senior Team.

SUBSTANCE ABUSE

NETWORK CONTROLS is committed to a drug-free workplace.

NETWORK CONTROLS prohibits:

- The use, possession, solicitation for, or sale of narcotics or other illegal drugs, alcohol, or prescription medication without a prescription on Company or customer premises or while performing an assignment.
- Being impaired or under the influence of legal or illegal drugs or alcohol away from the Company or customer premises, if such impairment or influence adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation.
- Possession, use, solicitation for, or sale of legal or illegal drugs or alcohol away from the Company or customer premises, if such activity or involvement adversely affects the employee's work performance, the safety of the employee or of others, or puts at risk the Company's reputation.
- The presence of any detectable amount of prohibited substances in the employee's system while at work, while on the premises of the Company or its customers, or while on Company business. "Prohibited substances" include illegal drugs, alcohol, or prescription drugs not taken in accordance with a prescription given to the employee.

It is the responsibility of each employee who observes or has knowledge or reason to believe that another employee is in a condition that impairs or may impair the ability of the employee to perform his or her job duties, or who presents or may present a hazard to the safety and welfare of the employee or others, or is otherwise in violation of this policy, to promptly report that fact to the appropriate supervisor and Human Resources.

The Company may conduct drug testing under one or another of the following circumstances:

- **Pre-employment Testing:** Applicants for full-time employment who fail a drug or alcohol test are not eligible for employment at NETWORK CONTROLS.
- **Random Testing:** Employees may be selected at random for drug testing at any interval or as deemed appropriate by NETWORK CONTROLS using a method selected by NETWORK CONTROLS. Existing employees who fail a drug or alcohol test may be subject to discipline, up to and including termination. Refusal to submit to drug testing may result in discipline, up to and including termination.
- **For Cause Testing:** The Company may ask an employee to submit to a drug test at any time it feels that the employee may be under the influence of drugs or alcohol, including, but not limited to, the following circumstances: evidence of drugs or alcohol on or about the employee's person or in the employee's vicinity, unusual conduct on the employee's part that suggests impairment or influence of drugs or alcohol, negative performance patterns, or excessive and unexplained absenteeism or tardiness. Existing employees who fail a drug or alcohol test may be subject to discipline, up to and including termination. Refusal to submit may result in discipline, up to and including termination.
- **Post-Accident Testing:** Any employee involved in a recordable on-the-job accident or injury under circumstances that suggest possible use or influence of drugs or alcohol in the accident or injury event may be asked to submit to a drug and/or alcohol test. "Involved in an on-the-job accident or injury" means not only the one who was injured, but also any employee who potentially contributed to the accident or injury event in any way. Employees involved in a motor vehicle accident while on work-time may be required to submit to a NETWORK

CONTROLS paid test for drugs or alcohol. Existing employees who fail a drug or alcohol test may be subject to discipline, up to and including discharge. Refusal to submit may result in discipline, up to and including termination.

A positive test for purposes of drug and alcohol testing is the cutoff levels adopted by the United States Department of Health and Human Services in its Guidelines for Federal Workplace Drug Testing Programs. If a cutoff level has not been established for a particular drug, the Company applies standards adopted by the National Institute on Drug Abuse or as otherwise recommended by the testing laboratory.

Any employee who violates this policy may be subject to discipline, up to and including termination. Employees who violate this policy may be reported to the proper law enforcement authorities. If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, the employee may be subject to appropriate disciplinary action, up to and possibly including termination from employment.

The Company has a “Zero-Tolerance” for violation of this Substance Abuse / Drug-Free Workplace Policy. Anyone testing positive for drugs or found to be in violation of this policy in any way is immediately terminated without further warning. If for any reason a negative test result is not received from the drug testing laboratory within 48 hours of giving the sample, the employee donor is suspended from work until such test results are made known either as a confirmed negative or positive test.

No part of this policy, or any of the procedures hereunder, is intended to adversely affect the Company’s right to manage its work place or to discipline its employees. Nor is it a guarantee of employment, continued employment, or terms or conditions for employment. Employees may be immediately terminated at any time at the sole discretion of the Company and the follow-up testing, counseling and other provisions of this policy are not limitations on that right.

Employees must report any conviction under a criminal drug statute for violations occurring on or off Company property. A report of a conviction must be made within five (5) days after the conviction. Conviction for the manufacture, distribution, or sale of drugs may result in immediate discharge. An employee may be suspended indefinitely without pay upon being criminally charged and pending resolution of the matter.

TOBACCO FREE ENVIRONMENT

In keeping with NETWORK CONTROLS’s intent to provide a safe and healthy work environment, smoking and the use of smokeless tobacco products are prohibited throughout all of our facilities. Employees wishing to smoke, use tobacco or smokeless tobacco, including vaporizers or e-cigarettes are required to do so in the designated smoking areas. This policy applies equally to all employees, customers, and visitors while in our facilities and on our property. **Nothing herein is intended to interfere with statutes protecting individuals who smoke off premises during non-working hours.**

ATTENDANCE AND PUNCTUALITY

Good attendance is necessary for efficient operations, and a good attendance record can be an important factor to consider in the selection of employees for promotion, transfer, layoff, and recall.

If you find being absent is necessary, you must speak with your supervisor as early as possible so your supervisor can make arrangements to have your work area covered. If you know in advance that you will

be absent or late (e.g., death in the family, doctor's appointment, etc.), your supervisor should be told at least 24 hours in advance. Voice mail, email or text messages are acceptable forms of notification. However, these must be followed up with a verbal communication with your supervisor within a reasonable timeframe to ensure work coverage is discussed.

Any employee who is absent for three (3) consecutive days without notice or approved excuse will be considered to have voluntarily quit his or her job (job abandonment).

A doctor's release slip may be required if you are absent from work because of an illness or injury for more than two (2) days. Employees who are out of work because of an illness or injury must still call in daily unless on an approved leave of absence. Repetitive excused absences or unexcused absences may also result in disciplinary action which could include termination.

NETWORK CONTROLS considers frequent unexcused absence and tardiness to be a serious problem. Employees who are absent or tardy excessively or show a consistent pattern of absences or tardies, whether excused or unexcused, may be subject to disciplinary action, up to and including termination without notice or prior discipline. An absence and tardy are considered to be unauthorized if the employee has not followed proper notification procedures or they have not been properly approved.

Absence: An absence is when an employee is not available for work on a scheduled workday.

Tardy: A tardy is when an employee is late clocking in for work without previous scheduling and Supervisor approval.

Leaving Early: Leaving early is when an employee clocks out early for work without previous scheduling and Supervisor approval.

A pattern of unscheduled absences, tardies or early departures may result in disciplinary action, up to and including termination. Examples of patterns may include a specific day of the week; the day before or the day after a scheduled day off; the day after payday; the day before or after a holiday, etc. All types of combined occurrences are reviewed when determining the level of disciplinary action to be taken.

Employees must be prepared to begin work at their designated time. Deviation from the shift start time, shift end time, beginning and ending of breaks and lunches, or unavailability for the entire shift is considered an occurrence.

RULES OF CONDUCT & DISCIPLINARY ACTION

There are certain standards of behavior and conduct that must be maintained in order to assure proper progress of work in a safe and efficient manner and with respect for the rights of others. Any employee who engages in improper conduct may be subject to disciplinary action, based upon the circumstances of the individual case, up to and including termination.

The following rules and their corresponding disciplinary procedures are not intended to be all-inclusive. Rather, they are merely examples of the types of conduct which may warrant discipline. NETWORK CONTROLS reserves the right to discipline employees for engaging in other misconduct not addressed by the following rules. Disregard of rules and repeated violations, whether intentional or not, may result in discipline up to and including termination.

Types of discipline may include a documented corrective interview, a written warning, probation, and/or termination. Nothing in this policy prohibits non-disciplinary verbal counseling sessions. However, counseling is not necessary before being given a warning. The Company is not required to follow any of the provided disciplinary actions and given the severity of the offense the employee may be terminated immediately at the Company's sole discretion. **Because the circumstances of each situation are different, the Company may handle each disciplinary situation differently without setting a precedent for future cases.** Termination can be at any time and for any reason not prohibited by law.

The following types of conduct are examples of the type of conduct, which may normally subject the offender to disciplinary action. **This list is not all-inclusive. It must be remembered that as circumstances change, rules of conduct may also change in the discretion of the Company. Improper conduct of any type, on or off Company premises, may result in discipline, up to and including immediate termination at the sole discretion of the Company, with or without notice, even though not specifically mentioned in this Handbook. In addition, this listing of improper conduct does nothing to alter the at-will status of your employment discussed previously. See the disclaimer page of this Handbook.**

- Improper care or unauthorized use of NETWORK CONTROLS property
- Falsifying any NETWORK CONTROLS records or giving false or misleading information to or on NETWORK CONTROLS records, including over-reporting or under-reporting on timekeeping records and expense reimbursement forms.
- Recording the time of another employee
- Wasting time, loitering, lack of application on job, or leaving job without proper reason or permission
- Horseplay, playing pranks, or otherwise causing a disturbance
- Failure to abide by posted rules
- Violating safety or security rules, or established policies and practices
- Failing to immediately report any injury, no matter how minor, sustained on NETWORK CONTROLS property or in connection with work
- Theft or unauthorized removal or possession of NETWORK CONTROLS property, customer property, or employee property
- Operating NETWORK CONTROLS vehicles or equipment without authorization
- Refusal to accept job responsibilities or comply with other reasonable requests by the supervisor
- Defacing, harming, damaging, misusing or wasting NETWORK CONTROLS property or the property of other employees or customers
- Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- Any form of gambling during working time or on NETWORK CONTROLS premises
- Employees must be considerate of others. Obscene or offensive language, such as ethnic slurs, sexist comments, discriminatory comments, insults or vulgarities is not tolerated
- Being absent from work or reporting to work late an excessive number of times
- Possessing dangerous or unauthorized materials, such as firearms, explosives, or other weapons, even if properly licensed, on NETWORK CONTROLS property
- Sleeping on the job
- Violating policies in this Employee Handbook, other policies and procedures as distributed or otherwise, and other known practices of NETWORK CONTROLS
- Violation of any federal, state, or local law or regulation, which could lead to the Company being charged with a violation of federal, state, or local law or regulation
- Sexual or other unlawful harassment and/or creating an unlawful, hostile work environment
- Soliciting or distributing in violation of NETWORK CONTROLS policy
- Working overtime without prior approval

- Falsely stating or making claims of injury
- Unsatisfactory work performance or conduct
- Workplace misconduct such as sexual harassment, violence, drug or alcohol violations, or violations of state or federal laws that occur off Company premises

BUSINESS ETHICS AND CONDUCT

The successful business operation and reputation of NETWORK CONTROLS is built upon the principles of ethical conduct by all employees. Our reputation for honesty, respect, caring, integrity, and excellence requires employees to carefully observe the spirit and letter of all applicable laws and regulations, as well as to exhibit the highest standards of personal and professional integrity and conduct, and to refrain from illegal, dishonest, or unethical conduct.

The continued success of NETWORK CONTROLS is dependent upon the trust of our members and customers, and we must be dedicated to preserving that trust. Employees have a responsibility to NETWORK CONTROLS, its members, and participants to act in a way that will merit the continued trust and confidence of the public. In general, the use of good judgment, based on high ethical principles, will guide you with respect to acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Human Resources Department and/or executive officers for advice and consultation.

Gifts, favors, and payments may be given to others at NETWORK CONTROLS expense if they meet the following criteria:

- Consistent with accepted business practices
- Sufficiently limited in value and in a form that will not be construed as a bribe or payoff
- Not a violation of applicable law and generally accepted ethical standards
- Public disclosure of the facts will not embarrass NETWORK CONTROLS
- Prior approval has been given

Payments, commissions, or compensation to or for the benefit of employees, family members, or associates of customers not required by written contract are not permitted.

Employees shall not seek or accept for themselves or others any gifts, favors, entertainment, or payments without legitimate business purpose; nor shall they seek or accept personal loans (other than conventional loans at market rates from lending institutions) from any persons or business organizations that do business with family members, and associates, or seek to do business with, or is a competitor, of NETWORK CONTROLS.

Employees may accept for themselves common courtesies usually associated with customary business practices. These include but are not limited to:

- Lunch and/or dinner with vendors (including spouse as long as the vendor extends the invitation)
- Gifts of small value from vendors (calendars, pens, pads, knives, etc.)
- Tickets to events (sports, art, etc.) are acceptable if offered by the vendor and the vendor accompanies the employee and party (if applicable) to the event. These items are not to be solicited by NETWORK CONTROLS employees and must be approved by NETWORK CONTROLS Management.
- Gifts of perishable items (usually given during holidays, such as hams, cookies, nuts, etc.)

- A strict standard is expected with respect to gifts, services, discounts, entertainment, or other considerations from suppliers.
- Day outings such as golf, fishing, and hunting are not encouraged, but are acceptable with prior approval of NETWORK CONTROLS Management. The vendor must be in attendance and participation by the employee's family members is not acceptable.
- Use of vendor's facilities (vacation homes, etc.) is prohibited and receipt of alcoholic beverages is discouraged.

Compliance with this policy of business ethics and conduct is the responsibility of every NETWORK CONTROLS employee. Disregarding or failing to comply with this standard of business ethics may subject the employee to disciplinary action, up to and including possible termination.

ASSOCIATE'S PERSONAL PROPERTY

NETWORK CONTROLS discourages associates from bringing personal property to work and is not responsible for any loss or damage. The management staff reserves the right to inspect any package or container being taken into or out of NETWORK CONTROLS and any desk or other storage area used by any associate. Employees are advised to store pocketbooks and other valuables in a safe place. Removal of any item off NETWORK CONTROLS property not belonging to the employee without prior written approval by management may result in disciplinary or police action.

THEFT

Internal theft is a serious concern of NETWORK CONTROLS. Although taking small items of the Company's property may seem inconsequential, the cumulative effect can be very large. Stealing from the Company is like stealing from yourself. Losses from theft immediately affect our ability to increase compensation and can jeopardize the profitability of the Company. Losses from theft may be deducted from your paycheck in accordance with applicable law.

Property theft of any type is not tolerated by NETWORK CONTROLS. We consider property theft to be the unauthorized use of Company services, equipment, or facilities or the taking of any Company property for personal use. Unauthorized possession or removal of Company property is a very serious offense. Employees violating this policy are subject to discipline up to and including termination and prosecution.

NON-DISCLOSURE OF CONFIDENTIAL INFORMATION

Our customers and suppliers entrust NETWORK CONTROLS with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, NETWORK CONTROLS earns the respect and further trust of our customers and suppliers.

By accepting employment with NETWORK CONTROLS, you assume an obligation to maintain confidentiality, even after you leave our employ. Some information may be protected by the South Carolina Trade Secrets Act, S.C. Code Section 39-8-10 et seq., which places both civil and criminal liabilities upon individuals who wrongfully misappropriate or disclose NETWORK CONTROLS trade secrets.

Any violation of confidentiality seriously injures NETWORK CONTROLS reputation and effectiveness. Therefore, please do not discuss NETWORK CONTROLS business with anyone who does not work for us,

and never discuss business transactions with anyone who does not have a direct association with the transaction. Even casual remarks can be misinterpreted and repeated, so develop the personal discipline necessary to maintain confidentiality.

If someone questions you or your department outside NETWORK CONTROLS and you are concerned about the appropriateness of giving them certain information, remember that you are not required to answer and that we do not wish you to do so. Instead, as politely as possible, refer the request to your manager or to the CEO.

No one is permitted to remove or make copies of any NETWORK CONTROLS records, reports or documents without prior management approval. Because of its seriousness, disclosure of confidential information could lead to discipline, up to and including termination at the sole discretion of NETWORK CONTROLS.

As an employee of NETWORK CONTROLS, you may have access to personal and confidential information. All NETWORK CONTROLS business must be kept strictly confidential. You may be required to sign a Confidentiality Agreement as a contingency to your employment to this effect.

NO SOLICITATION/DISTRIBUTION

NETWORK CONTROLS has strict rules prohibiting improper solicitation and distribution of literature by employees and non-employees. The primary purpose of these rules is to keep employees' working time free from non-work related interference, to ensure that working areas are kept free from litter and to keep non-employees who want to solicit our employees or distribute literature to them off of Company property at all times. This policy includes the following four (4) guidelines:

1. Solicitation and distribution of literature by non-employees on NETWORK CONTROLS property are prohibited. Any non-employee who comes onto Company property to solicit Company employees for any reason will be asked to leave, and, if necessary, escorted off the premises. The same rule applies to non-employees who come onto Company property to distribute flyers or other literature. All solicitation by non-employees should be reported to Human Resource immediately.
2. Solicitation by employees on NETWORK CONTROLS property is prohibited when the person soliciting or the person being solicited is on working time. Working time is the time employees are expected to be working and does not include rest, meal, or other authorized breaks.
3. Distribution of literature by employees on NETWORK CONTROLS property in working areas during working time, as defined above, is prohibited.
4. Company equipment or supplies may not be used to reproduce or distribute literature. Questions regarding solicitation or distribution should be directed to Human Resources.

Violation of this policy may result in discipline up to and including termination.

BULLETIN BOARDS

As circumstances necessitate, NETWORK CONTROLS may utilize bulletin boards to post new work rules, changes to existing work rules, safety procedures, work schedules, and related subjects throughout the facilities. Employees are encouraged to check the bulletin boards periodically to keep informed of Company announcements and information.

Management maintains sole responsibility for posting and removal of items posted on the bulletin boards. Employees may not post items on bulletin boards without management authorization. The use

of bulletin boards is generally confined to notices regarding Company information or activities. There may be periodic audits of every bulletin board.

DRESS CODE

During business hours, employees are expected to present a professional, clean and neat appearance and to dress according to the requirements of their positions. If you have questions about acceptable attire, ask your Supervisor. Employees who appear for work inappropriately dressed may be sent home and directed to return to work in proper attire. Under such circumstances, non-exempt employees are not compensated for the time away from work.

Office Attire

- “Business casual” clothing should be neat, clean, and unwrinkled at all times.
- Casual dress shirts, sweaters, polo shirts, etc. are appropriate.
- Casual dresses, skirts, and pants are appropriate. (No mini-skirts, low-cut tops, or see-thru clothing.)
- Jewelry, makeup, perfume and cologne should be in good taste. Note: Some employees are allergic to chemicals in perfumes and make-up, so wear these substances with moderation
- Business casual sandals and shoes are appropriate for women.
- Business casual closed-toe shoes with socks are appropriate for men.
- Hats are not appropriate in the office or customer site visits. Head covers that are required for religious purposes or to honor cultural tradition are allowed.

Jobsite Attire

- Khakis and jeans without rips or holes are the recommended appropriate pant.
- Polos or t-shirts with the Network Controls logo must be worn.
- Clothing must be neat and should not contain offensive slogans.
- Jobsite employees must wear steel toed or composite footwear.
- Visible body piercings should be limited.
- Safety glasses are required
- Other PPE is required dependent upon jobsite and will be reviewed during Safety Orientation.
- A more specific jobsite dress code will be given to employees during the New Hire Orientation.

USE OF COMPANY PROPERTY & EQUIPMENT

NETWORK CONTROLS will provide you with the necessary equipment to do your job. None of this equipment should be removed from NETWORK CONTROLS work premises unless approved by your manager.

Any items or packages taken out of the work place are subject to inspection at any time. Likewise, any work desk, filing cabinet, locker or storage space provided to you is also subject to inspection at any time.

Personal telephone calls, text messages and Internet surfing are to be kept to a minimum amount of time, unless authorized by your manager. Please keep personal correspondence to a minimum and at a time that does not interfere with your or your co-workers’ job performance.

Use of NETWORK CONTROLS stationery, office supplies or postage for personal use is strictly prohibited.

NETWORK CONTROLS premises, telephones and email are not to be used for associates or others to engage in the practice of soliciting collections or donations; selling raffles, goods or services; operating betting pools; or solicitations of any kind.

Use of radios, audio headsets and televisions, NETWORK CONTROLS-owned or otherwise, is at the discretion of NETWORK CONTROLS managers only, and – if allowed – must be used in a manner that does not interfere with the safety of the work place or with the ability of others to perform their work.

Employees should protect the property of the Company at all times. Exercise care when using equipment and tools and follow all operating instructions, maintenance requirements and safety guidelines. Report damages or equipment deterioration immediately to your manager or a member of management. Anyone who mistreats or violates the use of NETWORK CONTROLS-owned property may be subject to disciplinary action up to and including termination. Should you leave NETWORK CONTROLS for any reason, you are required to return any NETWORK CONTROLS-owned property or equipment before your last day of work.

The company provides some employees with certain equipment and property to assist them in performing their jobs outside the workplace. Employees who are provided with this NETWORK CONTROLS-owned property or who take NETWORK CONTROLS-owned property away from the workplace have a responsibility to protect it from being lost, damaged or stolen. If the property placed in the care of an employee is damaged or stolen because of the associate's negligence or willful disregard, the employee is to pay NETWORK CONTROLS an amount equal to the replacement value or the repair cost of the property.

INTERNET ACCESS

Internet access is a privilege provided by the Company and is provided for business purposes. Access to questionable or potentially offensive sites (e.g., sexually explicit or racially inflammatory sites or other sites disparaging a status protected by law) or sites involving any unlawful activity of any kind is absolutely prohibited, and a violation of this policy may result in revocation of Internet access or other discipline, up to and including immediate termination at the sole discretion of the Company.

Internet browsing should be limited to that which primarily supports Company business function. The Company may monitor Internet usage including sites visited and time spent at those sites.

USE OF COMPUTERS, E-MAIL, & INTERNET

Employee use of the Company's computers, printers, peripherals and electronic equipment is for job-related activities. Inappropriate use of Company computers, which may be defined from time to time at the discretion of the Company, may subject you to discipline, up to and including immediate termination.

Inappropriate use includes, but is not limited, to the following:

- Use of NETWORK CONTROLS computers to send or receive messages, pictures or computer files which are illegal, pornographic, sexist, racist, harassing or discriminatory. If you receive such material, you should notify your manager immediately.
- Loading software that is not approved in advance by management.
- Making illegal copies of licensed software.
- Using software that would provide unauthorized access to NETWORK CONTROLS's computers or would disrupt our equipment in any way.

- Using NETWORK CONTROLS computers, printers or email for personal and/or non-Company related use, including shopping, blogging and social media, unless authorized by your immediate manager.
- Sending or posting Company confidential information, whether anonymously or otherwise, by email, text, instant message or posting to any website, blog or social media site.

Employees may be disciplined or terminated for inappropriate use of the Internet, email, text messages, instant messaging, blog posts, websites or social networking websites where such use does not involve NETWORK CONTROLS computers, systems or property. You should not assume any inappropriate email or text message sent or posted to a website, blog or social networking website is private; such communications may eventually come to the Company's attention and result in discipline up to and including termination.

Any message or file created or sent using any NETWORK CONTROLS computer or other electronic device is the property of the Company. You should have no expectation of privacy or confidentiality in any message or file that is created, stored or sent using the computers or other communication equipment belonging to NETWORK CONTROLS, and the company reserves the unilateral right to review, monitor, access, audit, intercept, copy, print, read, disclose, modify, retrieve and delete any work you do on a Company computer, including email.

Your NETWORK CONTROLS email account is for business communication. Discretion should be used for personal use. Except as authorized by your manager in the course of your work duties, you are not authorized to access the computer(s), email account(s), or files of any other NETWORK CONTROLS employee.

Internet access is to be used for business purposes. NETWORK CONTROLS reserves the unilateral right to review, monitor, access, audit, intercept and disclose an associate's use of the Internet at any time, with or without notice, and with or without an associate's permission. You should have no expectation of privacy or confidentiality with respect to any use of the Internet at work.

WAGE AND SALARY ADMINISTRATION

NETWORK CONTROLS maintains a wage and salary administration plan to provide that all employees are paid in relation to the responsibility and value which they make to NETWORK CONTROLS success. Within NETWORK CONTROLS capability to do so, employees are also paid at a level which compares favorably with salaries in other similar companies, though all salary and wage decisions are made at the sole discretion of the Company.

EMPLOYMENT CATEGORIES AND CLASSIFICATIONS

These employment categories and classifications are designed to allow employees to understand their employment status and their eligibility for corresponding benefits. All employment remains “at-will,” however, and these classifications do not alter that status or guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time for any reason, with or without notice, is retained by both the employee and NETWORK CONTROLS.

Categories

- REGULAR FULL-TIME (DIRECT) employees are those who are regularly scheduled to work 30 hours or more per week, and who are not temporary staffing firm employees and/or contractors. Generally, they are currently eligible for NETWORK CONTROLS benefit package, subject to the terms, conditions, and limitations of each benefit program.
- VARIABLE HOUR employees are those who are regularly scheduled to work less than 30 hours per week with a varying schedule of days, times, and hours worked, and who are not temporary staffing firm employees and/or contractors. While these employees receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for other NETWORK CONTROLS benefit programs except for retirement.
- TEMPORARY (INDIRECT) employees are employees engaged to work full-time or part-time through a staffing agency with the understanding that their employment is temporary and for a limited duration. Such employees may be “exempt” or “non-exempt” as defined below. If a temporary or contract employee becomes a regular full-time employee, the employee’s start of service date and benefits eligibility qualification period will begin on the date that their status changes from temporary to regular full-time.

This Handbook applies to all the employees described above, with any distinctions or differences in the below-described benefits noted in the applicable section.

Classifications

Each employee whether full-time or variable hour is designated as either NONEXEMPT or EXEMPT from federal overtime requirements. NONEXEMPT employees are not exempt from federal overtime requirements and, therefore, are entitled to overtime pay under the specific provisions of applicable law. EXEMPT employees are exempt from federal overtime requirements and, therefore, are not entitled to overtime pay.

The Company prohibits deductions from an exempt employee’s salary except as allowed by federal law. If an employee is aware of improper deductions from an exempt employee’s salary, this violation should be reported immediately to the Human Resources Department. The Company’s policy is to investigate

all reported or suspected improper deductions from an exempt employee's pay. If the Company determines that improper deductions were made from an exempt employee's salary, the Company will promptly reimburse the employee the amounts improperly deducted.

PAYDAYS, PAYROLL RECORDS AND WORKWEEK

Payroll and time records of all employees are maintained to meet reporting requirements of applicable federal and state regulations and insurance underwriters. Both the non-exempt employee and supervisor are held accountable for the accuracy of time records, which reflect the exact hours and days actually worked.

NETWORK CONTROLS defines the workweek as beginning on Sunday and ending on the following Saturday. Payroll ends on Saturday with paychecks being issued on the following Friday every week.

WORK SCHEDULES AND MEAL BREAKS

Standard Work Schedule and Business Hours are subject to change based on business conditions and requirements. Unless instructed differently the typical business hours are:

<u>Office</u>	<u>Hours</u>	<u>Lunch</u>
• Monday – Thursday	7:00 a.m. – 5:00 p.m.	1 hour normally taken between the hours of 11:30 and 2:00
• Friday	7:00 a.m. – 11:00 a.m.	
<u>Jobsites</u>	<u>Hours (may vary)</u>	<u>Lunch/Breaks</u>
• Monday – Thursday	7:00 a.m. – 5:30 p.m.	30 minutes is standard for lunch Plus two 15-minute breaks am/pm

A break from work for meals is required. You must take an unpaid lunch break during any day where at least six (6) hours are worked. Lunch break is not an opportunity to make up lost work time or to work overtime. Employees are not permitted to adjust their schedule without prior approval from their manager.

Individual employee schedules may vary according to the supervisors to whom they are primarily assigned. All employees are expected to work the schedule requested or needed by the supervisors to whom they are primarily assigned.

Immediate supervisors are responsible for the preparation and supervision of the working schedule for all non-exempt employees. Applicable laws and needs of NETWORK CONTROLS shall govern all such schedules. Overtime must be pre-approved by the employee's supervisor. Working non-approved overtime hours is prohibited. Non-approved overtime hours are compensated but may subject the employee to discipline up to and including termination.

OVERTIME

From time to time, it may be necessary for you to perform overtime work in order to complete a job on time. **All overtime must be approved in advance by your supervisor.** When it is necessary to work overtime, you are expected to cooperate as a condition of your employment. Nonexempt employees are paid overtime at the rate of one-and-one-half times the employee's regular hourly rate, for all time worked above 40 hours in a work week, in accordance with applicable law. NETWORK CONTROLS pay

week currently begins Sunday and ends on Saturday. **Paid Time Off such as vacation, bereavement or holidays do not count as hours worked for purposes of calculating overtime.**

TIMEKEEPING PROCEDURES

All non-exempt employees are required to accurately record time worked and absence from work. You must complete and submit the appropriate time records for your Supervisor to approve.

Time records must be submitted by midnight each Saturday. Time records submitted after midnight on Saturday may be delayed until the following week and payroll withheld. Employees are prohibited from engaging in any conduct to falsify their own or another employee's hours worked. Tampering with, altering or falsifying time records, and recording time for another employee, are serious infractions of policy and may result in disciplinary action, up to and including termination. Please comply with our procedure to ensure that you are paid accurately and on a timely basis.

DIRECT DEPOSIT

Your paycheck is deposited directly into your bank account each payday. Direct deposit takes at least one full pay period to confirm accuracy of your account. However, all deposits will be complete by midnight, Thursday.

DEDUCTIONS FROM PAY

There are certain items that must be deducted from gross wages: Federal Insurance Contribution Act (FICA or Social Security) taxes, federal withholding tax, state withholding tax, and other deductions required by law, if any. In addition, you may elect to have one or more deductions from your gross wages: i.e., health insurance, etc.

If employment ends and employees fail to return Company equipment or property, or if the employee causes loss or other damage to Company property, payment may be deducted from the employee's final paycheck to the maximum extent permitted by law.

NETWORK CONTROLS is required to abide by court orders or the Internal Revenue Service to garnish or assign wages.

PERFORMANCE EVALUATIONS

We strongly encourage supervisors and employees to discuss job performance and goals on an informal, daily basis. Additional 'formal' performance evaluations may be conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive approaches for meeting goals.

Pay adjustments may be made to recognize superior employee performance, and may be based on a number of factors, including merit, promotion, position modification and cost of living factors.

At times, either as a result of a formal evaluation or separate from the formal evaluation, employees may be placed on probation for performance and/or other reasons. A positive evaluation of an employee or the Company's failure to evaluate may not preclude disciplinary action, as determined at the sole discretion of the Company.

EMPLOYEE BENEFIT PROGRAMS

This Handbook presents only the highlights of the benefits in effect at this time. NETWORK CONTROLS reserves the right to modify, terminate, change or otherwise alter the benefit plans, including requiring a contribution from the employee, as the Company deems necessary at its sole discretion. Payment for employee benefits is frequently the responsibility of both the employee and NETWORK CONTROLS.

Review the Summary Plan Description or formal plan documents for information regarding eligibility, coverage and benefits. In the event of any contradiction between information appearing in this Handbook and in the Summary Plan Descriptions or master documents, the latter govern. For any questions regarding benefit offerings, please contact Human Resources.

ELIGIBILITY FOR BENEFITS

All full-time employees (exempt or non-exempt) who are hired to work and regularly work at least 30 hours per week may apply for benefits at the time of full time employment per the Summary Plan Document. Participation is subject to meeting the plan requirements or specific benefits coverage or by restrictions detailed in other parts of these guidelines.

LEGALLY MANDATED BENEFITS

NETWORK CONTROLS complies with all applicable laws regarding mandatory employee benefits. These benefits may include the following:

- 1. Social Security (FICA)** - All employees are required to participate jointly with the Association in the federal Social Security program.
- 2. Worker's Compensation Insurance**-Employees are covered against the hazards of occupational injuries or diseases arising out of and in the course of employment in the manner and extent required by state workers' compensation laws.
- 3. Unemployment Insurance (FUTA)** - The Association's practice is consistent with the federal and state laws.

PAID TIME OFF (PTO) – (To include Vacation, Sick Time and Personal Time)

1. VACATION

Network Controls offers the following benefits for all full-time employees:

- After 6 months of continuous service, an employee is entitled to a maximum of 40 hours of paid PTO.
- After 5 years of continuous service, an employee is entitled to a maximum of 80 hours of paid PTO.
- After 10 years of continuous service, an employee is entitled to a maximum of 120 hours of paid PTO.

A request must be submitted to your supervisor for approval two weeks prior to the requested time off to properly plan for your absence. Your manager will base approval of PTO requests upon operational requirements and business needs. A 'seniority' or 'first come, first served' basis may be used when necessary in the approval process.

PTO can be taken in increments of one hour and should be noted on your timesheet. A "day" of PTO is equivalent to the number of hours the employee is or was scheduled to work on their

PTOday. (Example 1: A field employee generally works four 10-hour days. One PTO day would equal 10 hours PTO. Example 2: An office employee generally works 4 9-hour days and one 4-hour day. One PTO day would equal 9 hours, or 4 hours if the PTO day requested is on a Friday.)

Eligibility for and usage of PTO time runs on a calendar year, beginning January 1 and ending December 31. PTO hours will be prorated based on the employee's hire date. See example below for 40 hours of PTO:

Month of Hire	Eligibility Month	Eligible Hours
January	July	3.33 X 12 mos = 40 hrs
February	August	3.33 X 11 mos = 37 hrs
March	September	3.33 X 10 mos = 33.5 hrs
April	October	3.33 X 9 mos = 30 hrs
May	November	3.33 X 8 mos = 27 hrs
June	December	3.33 X 7 mos = 23 hrs
July-Dec	Following year	None

PTO will not carry over from year to year and cannot be exchanged for pay. PTO that is not used by the end of the year (December 31) will be forfeited. Unused PTO is forfeited at termination or resignation.

2. HOLIDAY PAY

After 6 months of continuous service, an employee is entitled to 5 paid holidays. Holidays are selected by management at the beginning of every calendar year. One day of holiday pay is equivalent to ten (10) hours. Once eligible, an employee will be paid the scheduled holidays at 10 hours per scheduled holiday.

3. BEREAVEMENT

Network Controls understands the difficulty of dealing with a death in your family and is offering bereavement leave for any full-time employee.

When a death occurs in an employee's immediate family, any hourly, full-time employee may take up to three (3) days off with pay to make funeral arrangements and attend the funeral.

- *“Immediate family”* is defined as mother, father, sister, brother, spouse, child, grandchild, grandmother, grandfather, mother-in-law, father-in-law.

Employees are required to report the need for absence because of the death in the immediate family to their supervisor or to the Human Resource Department. This notification is required not later than the first day of actual absence.

Bereavement pay is made to employees only for actual time spent away from work for the funeral or its arrangements. For example, if the death occurs at a time when work is not scheduled, payment is not made. If a holiday or part of your paid time off occurs on any of the days of absence, you may not receive paid time off in addition to paid funeral leave. Any accrued paid time off can be used at this time with the approval of your manager.

Funeral leave for the death of anyone other than an immediate family member will require prior approval from your immediate supervisor and will be unpaid.

Confirmation of the death is to be submitted to the Human Resource Department and can be in the form of an obituary or copy of death certificate.

Additional Time Off (unpaid):

The Company understands the deep impact that death can have on an individual or a family, therefore additional non-paid time off may be granted. The employee may make arrangements with his or her supervisor for additional days off in the instance of the death of an immediate family member.

Additional unpaid time off may be granted depending on the circumstances such as distance, the individual's responsibility for funeral arrangements, and the employee's responsibility for taking care of the estate of the deceased.

ANNIVERSARY DATE

The first day you report to work at NETWORK CONTROLS becomes your “official” anniversary date. If you were hired on a temporary basis and converted to regular full-time or variable hour status, your anniversary date is the first day that you are paid by the Company as a regular full-time or a regular variable hour employee. Your anniversary date is used to compute various conditions of employment and benefits described in this Employee Handbook.

If you leave NETWORK CONTROLS and are rehired within 60 days, your service is considered consecutive provided you were part of a reduction of force through no fault of your own. If you leave due to termination and return, your benefit period will start over at the date of rehire. If you are rehired beyond 60 days, you are considered a new hire and all benefits are considered as for a new hire with the same eligibility requirements.

HEALTH, DENTAL AND VISION INSURANCE

This Handbook presents only the highlights of the benefits in effect at this time. NETWORK CONTROLS reserves the right to modify, terminate, change or otherwise alter the benefit plans, including requiring a contribution from the employee, as the Company deems necessary at its sole discretion. Specific information regarding NETWORK CONTROLS benefit package will be provided to you during orientation.

Review the Summary Plan Description or formal plan documents for information regarding eligibility, coverage and benefits. In the event of any contradiction between information appearing in this Handbook and in the Summary Plan Descriptions or master documents, the latter govern.

Employees who meet eligibility requirements are offered health, dental and life insurance for themselves and dependents. Currently, health insurance coverage may be continued after retirement or other qualifying events at the employee’s expense and at full premium cost through COBRA (see below).

DISABILITY AND LIFE INSURANCE

NETWORK CONTROLS currently offers both short and long term disability as well as life and accidental death insurance. Specific information regarding these coverages will be provided to you during orientation.

401(K) RETIREMENT PLAN

NETWORK CONTROLS offers a tax-deferred 401(k) retirement plan to eligible employees. A Safe Harbor match is also offered where the company will provide a match equal to 100% of the employee's elective deferrals up to 3% of compensation, and an additional 50% on deferrals on the next 2% of employee's compensation for the year. Specific information regarding the 401(k) Retirement Plan will be provided to you through the Human Resource Department.

OTHER BENEFITS

NETWORK CONTROLS may, at its own discretion, offer additional benefits to employees. These benefits may be full or partially paid for by the company or may be fully paid by the employee. Information on these benefits, their waiting period and coverages will be provided to you during orientation.

CONTINUATION OF HEALTH COVERAGE (COBRA)

Any rights regarding continuation of benefits under NETWORK CONTROLS group health plan pursuant to the Consolidated Omnibus Budget Reconciliation Act (COBRA) are explained in the plan document or summary plan description for the plan. You will receive information regarding any rights you may have under COBRA following a qualifying event. If an employee does not choose continuation coverage, health insurance will end on the last day of the month of the separation date.

LEAVES OF ABSENCE

FAMILY MEDICAL LEAVE (FMLA)

The Family and Medical Leave Act (“FMLA”) requires covered employers such as NETWORK CONTROLS to provide up to twelve weeks of unpaid, job-protected leave to “eligible” employees for certain family and medical reasons (or up to 26 weeks of leave to care for a covered service member with a serious injury or illness).

The FMLA only applies to certain companies, and certain eligible employees within those companies. You may not have reached these eligibility requirements (see eligibility requirements as stated below). If and to the extent your specific employment by the Company is subject to FMLA, the following policy applies. The information listed below highlights the rights and obligations of employees and employers under the FMLA. This information is intended to be a summary, and in any particular case, the law itself governs the precise rights and obligations of employees and the Company. The Company also endeavors to post the FMLA Notice and upon hire provides all new employees with notices required by the U.S. Department of Labor (DOL). This can be found on the 5-in-1 state and federal required posters on the bulletin board by the time clock at each facility.

<http://www.dol.gov/whd/regs/compliance/posters/fmlaen.pdf>
[Employee Rights and Responsibilities under the Family and Medical Act](#)

Eligible Employees

A family and medical leave of absence is available under most circumstances only to employees who have been on the Company’s payroll for at least 12 months, who have worked at least 1,250 hours during the 12-month period immediately preceding the commencement of the leave, and if there are at least 50 employees within a 75-mile radius of the employee’s worksite.

Scope

A leave of absence for a definite period of time may be granted to eligible employees for the following reasons:

- (1) For incapacity due to pregnancy, prenatal medical care or child birth;
- (2) To care for the employee’s child after birth, or the placement with the employee of a son or daughter for adoption or foster care;
- (3) To care for the employee’s spouse, son, daughter, or parent with a “serious health condition”;
- (4) Because of a serious health condition that makes the employee unable to perform the functions of the employee’s job;
- (5) Because of any “qualifying exigency” arising out of the fact that the employee’s spouse, son, daughter, or parent is on covered active duty or call to covered active duty status; and
- (6) To care for a covered service member who is (1) a current member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness, or (2) a veteran who was discharged or released under conditions other than dishonorable at any time during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran, and who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

Any leave taken in order to care for a child must be taken within 12 months from the birth of such child or the child’s placement in the care of the employee through adoption or foster care.

In any case in which a husband and wife are both employed by the Company and leave is taken (a) because of the birth of a child and in order to care for such child; (b) because of the placement of a child with the employee for adoption or foster care; or (c) in order to care for a parent of one of the employees who has a serious health condition, the total number of weeks of leave to which both are entitled is no more than 12 weeks.

Amount of Leave/Paid Leave

An eligible employee can take up to 12 weeks of leave for the FMLA circumstances (1) through (5) above during the designated 12-month period. The Company currently measures the 12-month period as a "rolling" 12-month period measured backward from the date an employee uses any FMLA leave. Family and medical leave taken for these purposes within the 12 preceding months reduces the amount of leave entitlement under this provision.

An eligible employee can take up to 26 weeks of leave for the FMLA circumstance (6) above (military caregiver leave) during a single 12-month period. For this military caregiver leave, the Company measures the 12-month period as a rolling 12-month period measured forward. FMLA leave already taken for other FMLA circumstances is deducted from the total of 26 weeks available.

The FMLA does not require the leave to be paid. Accrued but unused sick and vacation (with the exception of 5 days if available) paid time off must be used concurrently with FMLA leave, in accordance with the Company's paid leave policies, to the extent applicable. Once accrued paid leave is exhausted, the remainder of the 12 weeks (or 26 weeks) is treated as unpaid leave.

Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in Company or other daily activities.

Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than 3 consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

The FMLA definitions of "serious injury or illness" for current service members and veterans are distinct from the FMLA definition of "serious health condition."

"Qualifying Exigency"

The "qualifying exigency" arising out of a qualifying family member's call to covered active duty may include one of the following: 1) attending certain military events, 2) arranging for alternative childcare, 3) addressing certain financial and legal arrangements, 4) attending certain counseling sessions, 5) attending post-deployment reintegration briefings, and 6) additional activities that arise out of covered active duty, provided that the Company and employee agree, including agreement on timing and duration of the leave.

Employee and Employer Responsibilities/Notice Requirements

Employee Responsibilities

Employees must provide 30 days advance notice of the need to take FMLA leave when the need is foreseeable. When 30 days' notice is not possible, the employee must provide notice as soon as practicable and generally must comply with an employer's normal call-in procedures. **The employee is also responsible for complying with any Company rules regarding the reporting of absences.** If an employee does not comply with the Company's usual notice and procedural requirements, and no unusual circumstances justify the failure to comply, FMLA-protected leave may be delayed or denied. There are also special rules for "key employees" as defined in the FMLA.

Employees must provide sufficient information for the employer to determine if the leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that the employee is unable to perform job functions; the family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. Employees also must inform the employer if the requested leave is for a reason for which FMLA leave was previously taken or certified. Employees also may be required to provide a certification and periodic recertification supporting the need for leave.

Employer Responsibilities

Covered employers must inform employees requesting leave whether they are eligible under FMLA. If they are, the notice must specify any additional information required as well as the employees' rights and responsibilities. If they are not eligible, the employer must provide a reason for the ineligibility.

Covered employers must inform employees if leave will be designated as FMLA-protected and the amount of leave counted against the employee's leave entitlement. If the employer determines that the leave is not FMLA-protected, the employer must notify the employee.

Medical Certifications

The Company may require medical certification of a serious health condition of the employee or the employee's family member, in accordance with the requirements of the FMLA. In accordance with the Genetic Information Nondiscrimination Act of 2008 ("GINA"), the Company does not request, nor should the physician provide, genetic information of an individual or family member of the individual. GINA defines "genetic information" to include an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or of an embryo lawfully held by an individual or family member receiving assistive reproductive services.

How Leave May be Taken

Leave may be taken on a continuous basis (that is, a certain number of days or weeks in a row). Additionally, for leaves involving serious health conditions, leaves may also be taken on an intermittent basis (that is, leave taken in separate blocks of time due to a single qualifying reason), or on a reduced leave schedule basis (that is, a leave schedule that reduces the usual number of working hours per workweek or hours per workday) when medically necessary. An employee requesting intermittent leave or leave on a reduced schedule must fulfill all of the obligations set forth by the Company or applicable

law (for example, the advance notice requirements, request for leave of absence forms, medical certification, etc.). Employees must make reasonable efforts to schedule leave for planned medical treatment so as not to unduly disrupt the Company's operations. There are certain limitations and requirements for "key employees" under the FMLA.

Leave due to qualifying exigencies may also be taken on an intermittent basis.

Benefits While on Leave

During FMLA leave, the employer must maintain the employee's health coverage under any "group health plan" on the same terms as if the employee had continued to work. Upon return from FMLA leave, most employees must be restored to their original or equivalent positions with equivalent pay, benefits, and other employment terms.

Use of FMLA leave cannot result in the loss of any employment benefit that accrued prior to the start of an employee's leave.

Obligations While on Leave

An employee on approved FMLA leave with the Company may be prohibited from working a second job, whether full-time, part-time or temporary, for another employer.

Non-discrimination/Non-Retaliation Policy Statement

The Company's policy prohibits: (1) interfering with, restraining or denying the exercise of (or any attempts to exercise) any right provided under the FMLA; or (2) discharging or discriminating against any person for opposing any practice made unlawful by the FMLA; or (3) discharging or discriminating against any person for his or her involvement in any proceeding under or relating to the FMLA.

Enforcement

An employee may file a complaint with the U.S. Department of Labor or may bring a private lawsuit against an employer.

FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

Contact Person

Employees with questions about their rights and obligations under the FMLA are encouraged to contact the Human Resources department.

NATIONAL GUARD OR MILITARY LEAVE

The Company complies with Federal and State law regarding leave due to military service, including the military reserves and National Guard, and the employee's rights upon return. It is requested that as much notice as possible be provided prior to beginning military leave, and employees must present their orders in advance to their supervisor.

If you are a member of a National Guard or Reserve Unit, you may take the time required for training. Leave is normally for two weeks, but in exceptional cases may be as long as seventeen calendar days.

NETWORK CONTROLS currently affords such employees a benefit of up to six months of differential pay. NETWORK CONTROLS pays the employee the difference between his/her military pay and his/her NETWORK CONTROLS base salary for up to six months. The remainder of the leave is unpaid. However, employees may use any available paid time off for the absence.

Continuation of applicable health insurance benefits is available as required by USERRA and applicable state law, based on the length of the leave.

PTO benefits continue to accrue during the first 30 calendar days of the military leave of absence or for such period as required by state law.

Employees on military leave for up to 30 days are required to return to work for the first regularly scheduled shift after the end of service, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

In accordance with USERRA and depending on the length of military service, employees returning from military leave are placed in the position they would have attained had they remained continuously employed or in a comparable position. They are treated as though they were continuously employed for purposes of determining benefits based on length of service.

Please be sure to inform your manager of your absence for National Guard or Military Reserve Leave as far in advance as possible. Contact the Human Resources Department for more information or questions regarding this leave.

PERSONAL LEAVE/MEDICAL LEAVE

An employee who does not meet the previously described eligibility criteria for leave under the Family and Medical Leave Act (on the payroll for at least 12 months and worked at least 1250 hours) may, at the sole discretion of the Company, be considered for a leave of absence only in the most urgent or unusual circumstances and under the following conditions:

1. The requested leave is one in which unusual circumstances exist such as: illness, extended outside schooling, or a serious family emergency.
2. The employee intends to return to NETWORK CONTROLS at the end of the leave of absence.
4. Work requirements permit the employee's absence without unreasonable disruption of work.
5. All requests for leave of absence must be written. In situations involving medical leaves, employees must also submit a doctor's verification at the time of the request. Prior to returning to work from a medical leave, employees must submit a doctor's note to verify their ability to return to work.
6. Leaves of absence are without pay. The employee must continue to pay his/her contribution towards any of these benefits throughout the leave of absence. The Human Resource Director must be contacted to arrange billing for continued coverage.
7. NETWORK CONTROLS reserves the right to require employees not returning from leaves to repay all of the Company's contributions, if any, to benefits plans on the employee's behalf.

CLOSING STATEMENT

Our team thanks you for taking the time to thoroughly read your Handbook. Any questions with respect to any of the provisions of this Handbook should be addressed to your immediate manager or Human Resources.

You are entitled to express your point of view on work-related matters in a constructive manner, as well as to make any productive suggestions in any of the communication avenues available within NETWORK CONTROLS.

NETWORK CONTROLS expects everyone to abide and follow the policies as set forth and described. However, all associates are encouraged to bring forward their suggestions and good ideas about how NETWORK CONTROLS can be made a better place to work, our jobs improved, and our services to our customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisor. They can help you bring your idea to the attention of the people within NETWORK CONTROLS who are responsible for possibly implementing it. All suggestions are valued and listened to.