



**TSSD Services, Inc.
Employee Manual**

January 2013



INTRODUCTORY STATEMENT

This manual is designed to acquaint you with some of the policies at TSSD and provide you with information about working conditions, employee benefits, and some of the other practices affecting your employment. You must read, understand, and comply with all provisions of the manual. It describes many of your responsibilities as an employee and outlines the programs developed by TSSD to benefit employees.

Employment with TSSD is on at-will basis. At-will employment means that your employment with TSSD is for an indefinite period of time. You may terminate your employment at any time, for any reason, with or without cause, and with or without prior notice. Likewise, TSSD retains the same rights and may terminate your employment at any time, for any reason, with or without cause, and with or without prior notice. In addition, TSSD's Clients reserve the right to request termination of assignment with that Client at any time.

No representative of TSSD, other than its President, has the authority to make any agreement contrary to TSSD's at-will employment policy or to enter into an agreement or contract of employment for any definite period of time.

None of the provisions of this manual, or any other company policy, procedure, or statement, whether written or oral, creates or is intended to create contractual rights of any kind on the part of TSSD's employees.

No employee manual can anticipate every circumstance or question about policy. TSSD reserves the right to revise, supplement, rescind, or discontinue any policies or portion of the manual from time to time as it deems appropriate, in its sole discretion, with or without notice.

It is TSSD's intent to comply with applicable state and federal laws and this manual is reviewed periodically to facilitate this compliance. To learn more about federal laws dealing with worker rights and workplace safety, please review the postings displayed at the client's jobsite or in the login area of the TSSD Website. For state postings relating to worker rights, worker's compensation insurance, unemployment, etc., please review the postings displayed at the client's jobsite in the state in which you are employed or on the applicable state's website. If you have questions about these postings or need help in locating them, please contact TSSD.



TSSD EMPLOYEE MANUAL

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I. Mission and Vision of TSSD Services, Inc.

TSSD Services, Inc. (“TSSD”) was founded in 1999 with a mission to provide top quality management and technical staff resources to the nuclear industry.

Our vision is to be the industry leader in the provision of experienced professionals to service all stages of the nuclear plant lifecycle; construction, operation and decommissioning while maintaining our competitive rates.

II. Employment Classifications

a. Full Time Employment:

All employees regularly scheduled to work more than 30 hours per week are considered full time and therefore eligible for the long term disability benefit.

b. Part Time Employment:

Any employee who is regularly scheduled to work fewer than 30 hours per week is considered part time and is therefore not eligible for benefits except as otherwise noted in this manual.

c. At-Will Employment:

All employees, including part-time and full-time employees, at TSSD are employed on an *at will* basis, meaning that an employee’s employment with TSSD can be terminated at any time with or without cause or with or without notice by either the employee or TSSD. In addition, a TSSD Client may request termination of your assignment with that client at any time. Whether or not TSSD will be able to reassign an employee whose assignment has been terminated by a Client will depend on the circumstances of the termination and the availability of other assignments.

d. Non Exempt and Exempt Employees:

In addition, all employees at TSSD will be classified pursuant to the Fair Labor Standards Act and applicable state law as either exempt or non-exempt. If classified as exempt, employees will be required to review their exempt status and job description to acknowledge the status and job description as accurate. If a client alters an employee’s job duties or descriptions, it is the employee’s responsibility to immediately notify TSSD of any such changes. Employees determined to be exempt, are not entitled by law to receive overtime pay for working more than forty (40) hours in a work week.



III. Proof of Eligibility for Employment

The Department of Homeland Security requires that before becoming employed, all employees must complete the Form I-9 (Employment Eligibility Verification Form) and that all applicants who are hired, must present documentation that establishes both identity and eligibility to work in the United States.

TSSD must verify your eligibility for employment using a current edition of the Department of Homeland Security, US Citizenship and Immigration Services (USCIS) Form I-9, Employment Eligibility Verification, available at <http://www.uscis.gov/files/form/i-9.pdf>. This form may be completed any time after you are hired by TSSD and must be submitted to TSSD by your first day on the job.

After receiving the form, TSSD will submit an inquiry on your behalf through the USCIS Employment Eligibility Verification Process (E-Verify). E-Verify is a program that electronically confirms an employee's eligibility to work in the United States after completion of the Form I-9. TSSD must receive an "Employment Authorized" result from this submission to allow your continued employment. Should TSSD receive a different result (i.e., "Tentative Non-confirmation"), you will be given an opportunity to contest the case and resolve the discrepancy. However, should you choose not to contest the case, not submit a timely request to contest the case, or the request is denied, TSSD must terminate your employment.

TSSD policy and the anti-discrimination provision of the US Immigration and Naturalization Act, as amended, prohibits four types of unlawful conduct:

1. Citizenship or immigration status discrimination;
2. National origin discrimination;
3. Unfair documentary practices during Form I-9 process (document abuse); and
4. Retaliation.

Compliance with CLIENT candidate eligibility requirements regarding US citizenship does not constitute discrimination.

If at any time you can not verify your right to work in the United States, TSSD may be required to terminate your employment.

IV. Equal Opportunity Policy

TSSD will provide equal opportunity employment without regard to race, gender, age, religion, national origin, marital status, sexual orientation, ancestry, genetic information, political belief or activity, status as a veteran,



family care status, physical or mental disability, whistleblower status, or any other characteristic protected by federal or state law.

This policy applies to all areas of employment including recruitment, hiring, training and development, promotion, transfer, termination, layoff, compensation, benefits and all other conditions and privileges of employment in accordance with applicable federal, state and local laws.

This manual shall serve as notice to employees of their right to equal opportunity in employment. In the event any person believes that he or she has been discriminated against, the employee should immediately speak to their site supervisor and TSSD Management. TSSD will investigate all complaints promptly and the existence of a complaint will be disclosed only as necessary to make a prompt and thorough investigation or to take appropriate corrective measures. In all cases, the person who initiated the complaint will be informed of the findings and disposition of the matter at conclusion of the investigation. Management will ensure that there is no coercion, retaliation, intimidation discrimination or harassment directed against any individual who registers a complaint or serves as a witness on behalf of another individual.

Persons who engage in prohibited discrimination will be subject to appropriate discipline up to and including termination of employment.

V. Americans with Disabilities Act (ADA):

It is the policy of TSSD to comply with all relevant and applicable provisions of the Americans with Disabilities Act (ADA) of 1993 and as amended, as well as applicable state law which prohibits discrimination on the basis of a disability. TSSD will not discriminate against any qualified employee or job applicant with respect to any terms, privileges or conditions of employment because of a person's physical or mental disability. TSSD will also make reasonable accommodations for all employees or applicants with disabilities provided that the individual is otherwise qualified to safely perform the duties and responsibilities associated with the job and provided that such accommodations would not result in an undue hardship for TSSD .

VI. Fitness for Duty

It is an employee's responsibility to report to work fit for duty and be able to perform his/her job duties in a safe, appropriate, and effective manner free from the adverse effects of controlled substances, drugs, and alcohol. If an employee experiences any of these problems, he/she is encouraged to voluntarily seek assistance. TSSD will upon request, assist employees in



locating agencies which specialize in alcohol/drug rehabilitation and employee assistance programs.

At all times, employees of TSSD agree to comply with all of TSSD's applicable rules, policies, and procedures, and all of the rules, policies, and procedures of TSSD's relevant Clients, including without limitation, those related to alcohol, drugs, and controlled substances. Employees who violate such policies will be subject to disciplinary action up to and including termination.

VII. Worker's Compensation, Injury Reporting & Management

Worker's Compensation Insurance is a no fault insurance plan administered by each state and paid for by TSSD

TSSD supports the right of every employee to apply for worker's compensation when a work related injury or disease occurs.

What to do if you are injured?

- Seek medical attention
- Report the injury to the TSSD representative onsite or to TSSD management and to your immediate supervisor on the project that you directly work for
- If this may be an OSHA recordable injury (e.g. injury resulting in loss of a days work, restricted work, loss of consciousness or an injury resulting in medical treatment beyond first aid or determined to be a "significant injury or illness" by a physician) and you are "seconded" to the facility (i.e. the Client provides you with day to day supervision), then the client is required to record the injury on the OSHA injury log.
- Make sure to obtain copies of the injury / accident reports and fax them to TSSD management at 207-221-1306.

An OSHA Injuries and Illnesses Incident Report (OSHA Form 301) is located in the employee login area of @ www.tssdservices.com.

Employees returning to work after a work related injury or disease must report to TSSD management prior to beginning work and must provide a copy of the physician's clearance for returning to duty. In addition, employees shall also comply with Client requirements for returning to work.

VIII. Worker Conduct and Disciplinary Action

By accepting employment with TSSD, our employees have joined a Company that prides itself in the quality and professionalism of its staff. Therefore, our



employees have a responsibility to TSSD, to TSSD's Clients, and to their fellow employees to conduct themselves at all times in a manner that continuously promotes TSSD's Mission. If an employee chooses to engage in conduct contrary to accepted standards of professionalism or that negatively reflects upon TSSD's reputation, he/she may be subject to disciplinary action, termination of employment by TSSD, and/or cancellation of the assignment by the Client.

Types of misconduct and unacceptable activities are generally categorized as those that may result in immediate termination and those that may result in disciplinary action up to and including termination depending on the circumstances of each case. For example, unsatisfactory work performance, failure to meet objectives, production and/or quality standards, and excessive absences and tardiness may be cause for disciplinary action up to and including possible dismissal. Engaging in prohibited acts while working such as criminal or unprofessional conduct including threats of violence toward anyone, being intoxicated, dishonesty and/or willful falsification of documents and any form of harassment may result in immediate termination.

The procedures outlined below may be followed at management's discretion when addressing disciplinary problems. However this procedure is meant only as a guideline. Alternative approaches may be employed at the discretion of TSSD as is deemed appropriate, and TSSD reserves the right to apply these procedures in any order. For example, the seriousness of the offense may result in the omission of one or more steps and may result in immediate termination of employment or cancellation of an assignment.

Verbal Warning

TSSD management meets with the employee to discuss the issue in an effort to make sure there is clear understanding regarding the nature of the issue, management's expectations and the employee's responsibilities to remedy the situation. A summary of the conversation will be filed in the employee's personnel file and will be available upon request.

Written Warning

If appropriate after a first incident or infraction, or if the issue addressed in a verbal warning does not improve within a reasonable, pre-defined period of time, management may meet with the employee to discuss the issue(s) emphasizing the seriousness of the problem and the need for immediate resolution. Following this meeting, a written summary may be developed by TSSD management, including steps for resolution. This summary will be provided to the employee and a copy will be kept in the employee's personnel file. A written warning may also be accompanied by a corrective action plan.



Final Warning

A final warning may be used to put the employee on notice that any continued misconduct will result in termination of employment or cancellation of an assignment. This notice will be provided to the employee and a copy will be kept in the employee's personnel file.

Termination

TSSD reserves the right to terminate an employee's employment at any time, either on the basis of an initial incident or infraction, or after pursuing one or more of the disciplinary actions outlined above.

IX. Policy Against Harassment

It is the strict policy of TSSD to prohibit all forms of unlawful discrimination and harassment, including sexual harassment and harassment on the basis of race, color, sexual orientation, religion, sex, age, national origin, ancestry, creed, citizenship, alienage, physical or mental disability, veteran status, or any other characteristic protected under federal, state, or local law.

Sexual harassment includes unwelcome physical, verbal or visual contact that creates an intimidating, offensive or hostile work environment or conduct that interferes with work performance. Federal and state law defines sexual harassment as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature whether by male or female. Such conduct may constitute harassment when 1) submission to such conduct is made either explicitly or implicitly as a term or condition of an individual's employment, 2) submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or 3) such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Some examples of sexual harassment are: 1) repeated unwelcome sexual flirtations, advances or propositions; 2) continued or repeated verbal abuse of a sexual nature; 3) graphic or degrading comments about an individual or his or her appearance; 4) the display of sexually suggestive objects or pictures; and 5) any offensive physical contact.

In addition, no one should suggest, imply or threaten that an applicant or employee's "cooperation" or refusal to cooperate in matters of a sexual nature will have any effect on the individual's employment, assignment, compensation, advancement, career development, or any other condition of employment.



Harassment on the basis of any other protected characteristic is also strictly prohibited. Unlawful harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, sex, age, national origin, ancestry, creed, citizenship, alienage, physical or mental disability, veteran status, or any other characteristic protected under federal, state, or local law that: 1) has the purpose or effect of creating an intimidating, hostile, or offensive work environment; 2) has the purpose or effect of unreasonably interfering with an individual's work performance; or 3) otherwise adversely affects an individual's employment opportunities.

Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through the Internet and e-mail).

TSSD will not condone any form of harassment by or against any employee, client, customer, vendor, independent contractor or other individual with whom our employees come into contact with in connection with their employment with this company.

Individuals who believe they have been subjected to harassment as described or question whether certain conduct is unlawful should immediately speak to their site supervisor and to TSSD management.

TSSD will investigate all complaints promptly and the existence of a complaint will be disclosed only as necessary to make a prompt and thorough investigation or to take appropriate corrective measures. In all cases, the person who initiated the complaint will be informed of the findings and disposition of the matter at conclusion of the investigation. Any retaliation against an individual who has raised concerns or filed a complaint of harassment or discrimination or who has cooperated in an investigation of a complaint of harassment or discrimination is unlawful, strictly prohibited, and will not be tolerated. Management will take steps to make it clear that coercion, retaliation, intimidation discrimination or harassment directed against any individual who registers a complaint or serves as a witness on behalf of another individual will not be tolerated.

In Maine, employees have the legal right to file a complaint of unlawful harassment with the Maine Human Rights Commission, and are protected by law from retaliation for exercising this right:

Maine Human Rights Commission
State House Station 51
Augusta, ME 04333
(207) 624-6050



Employees in other states should check their state supplements to determine where a complaint of harassment may be filed.

Persons who engage in prohibited discrimination and/or sexual harassment will be subject to appropriate discipline up to and including termination of employment.

X. Benefits

The summary provided in this policy is for general informational purposes only. Employees should consult with TSSD's applicable plans (posted on the www.tssdservices.com employee login area) for more information. In the case of a discrepancy between any information in this policy and TSSD's applicable benefits plans, the language in the applicable benefits plans will govern.

a. Health Insurance

It is the policy of TSSD to provide eligible employees, their spouses, qualified domestic partners and children with access to health insurance at group rates and with pretax dollars (requires enrollment in the TSSD Premium Only Plan). Whenever feasible, TSSD will work with its insurance agency to ensure several choices of coverage options and deductibles from which employees may choose. Insurance may be purchased by the employees at their cost.

Effective Dates of Coverage:

Should an employee elect to purchase health insurance through TSSD, coverage for new hires and dependents is effective on the first day of the month after the hire date provided that they have elected to enroll in the plan within 30 days of hire.

Example 1: Employment is effective June 4th and the employee elects to enroll; the employee's coverage will begin on July 1st.

Example 2: Employment is effective July 1st and the employee elects to enroll; the employee's coverage will begin on August 1st.

Annual Enrollment Period:

Existing employees may choose to enroll or add dependents during the annual enrollment period which begins during the month of June and is effective on July 1st.

Changes to Coverage:

Other than the annual enrollment period, the only time that an employee can make a change to his/her benefit elections is when a qualifying event has



occurred. Reports of qualifying events should be made to TSSD office staff within 30 days of the event. A qualifying event stems from the involuntary loss of health insurance and may include the following:

- Loss of job
- Employer termination of health insurance
- Death of a spouse (spouse was employed and health insurance was through the spouse)
- Divorce
- Marriage
- Court Order
- Discharge from the military

Termination of Coverage:

Employees who are separating from employment, who drop coverage or have dependents whose coverage ends are covered for services for the entire month in which the separation or dropping of coverage occurs.

Example: An employee who opts to drop coverage on June 5th is covered up to July 1st.

Employees who are separating or whose dependents lose coverage will be notified of their option to continue coverage at their own expense as is required by Federal COBRA legislation.

b. Long Term Disability Insurance:

TSSD offers UNUM long term disability (LTD) insurance at no cost to all active employees working a minimum of 30 hours per week.

Benefit: The LTD benefit is as follows:

- 60% of monthly earnings to a maximum of \$6000
- The total benefit payable on a monthly basis (including all benefits provided under this plan) will not exceed 100% of monthly earnings, unless the excess amount is payable as a Cost of Living Adjustment. However, if an employee is participating in Unum's Rehabilitation and Return to Work Assistance program, the total benefit payable on a monthly basis (including all benefits provided under this plan) will not exceed 110% of your monthly earnings (unless the excess amount is payable as a Cost of Living Adjustment).
- The disability benefit may be reduced by deductible sources of income and any earnings an employee has while disabled. Deductible sources of income may include such items as disability income or other amounts an employee receives or is entitled to receive under: workers compensation or similar occupational benefit laws; state compulsory benefit laws; automobile liability and no fault insurance; legal judgments and



settlements; certain retirement plans; salary continuation or sick leave plans; other group or association disability programs or insurance; and amounts you or your family receive or are entitled to receive from Social Security or similar governmental programs.

Definition of Disability: An employee is considered disabled when UNUM determines the employee:

- Is limited from performing the material and substantial duties of his or her regular occupation; and
- Has a 20% or more loss in indexed monthly earnings due to the same sickness or injury.
- After benefits have been paid for 24 months, an employee is disabled when UNUM determines that due to the same sickness or injury, he or she is unable to perform the duties of any gainful occupation (gainful occupation means an occupation that is or can be expected to provide you with an income at least equal to your gross disability payment within 12 months of your return to work for which you are reasonably fitted by education, training or experience).
- An employee must be under the regular care of a physician in order to be considered disabled.

Elimination Period: The Elimination Period is the length of time of continuous disability which must be satisfied before an employee is eligible to receive benefits. LTD benefits would begin after 90 days of disability, if disabled, as described in the definition above. During the elimination period employees will be considered disabled if they are limited from performing the material and substantial duties of their regular occupation due to sickness or injury, and they are under the regular care of a physician. An employee is not required to have a 20% or more earnings loss to be considered disabled during the elimination period due to the same sickness or injury.

Benefit Duration: The duration of benefits is based on the employee's age when the disability occurs. LTD benefits are payable for the period during which you continue to meet the definition of disability. If the disability occurs before age 60, benefits will be payable until age 65. If the disability occurs at or after age 60, benefits would be paid according to a benefit duration schedule.

Instances When Benefits Would Not Be Paid: Benefits would not be paid for disabilities caused by, contributed to by, or resulting from:

- Intentionally self-inflicted injuries;
- Active participation in a riot;
- War, declared or undeclared, or any act of war;
- Conviction of a crime;
- Loss of professional license, occupational license or certification;



- Pre-existing conditions (see definition).
- Unum will not pay a benefit for any period of disability during which an individual is incarcerated.

Mental Illness Disabilities:

The lifetime cumulative maximum benefit period for all disabilities due to mental illness and disabilities based primarily on self-reported symptoms is 24 months. Only 24 months of benefits will be paid for any combination of such disabilities even if the disabilities are not continuous and/or are not related. Payments would continue beyond 24 months only if the employee is confined to a hospital or institution as a result of the disability.

Effective Date of Coverage: Coverage becomes effective on the first day of the month following the date of hire.

Delayed Effective Date of Coverage: Insurance will be delayed if the employee is not in active employment because of an injury, sickness, temporary layoff, or leave of absence on the date that insurance would otherwise become effective

Termination of Coverage Coverage under the policy ends on the earliest of the following:

- The date the policy or plan is cancelled;
- The date the individual is no longer employed by TSSD;
- The date TSSD is no longer covered;
- The last day of the period for which TSSD made any required contributions;
- The last day the employee is in active employment except as provided under the covered layoff or leave of absence provision.

Federal Income Taxation: Because TSSD pays 100% of the LTD premiums, the LTD benefits are considered taxable.

For a complete description of additional LTD benefits please refer to the LTD benefit summary located on the TSSD website (www.tssdservices.com) employee login page.

c. Retirement: Deferred Compensation Plan

TSSD has a mandatory “Defined Contribution Program” under which a portion of the employee’s rate is automatically invested in the TSSD Deferred Compensation Plan. The Plan has a variety of fund choices, and our employees decide how their money is invested. The contribution rate is set at a level established by IRS regulations.



Eligibility: Employees are eligible for enrollment in the plan on the date of hire.

Termination: Contributions to the plan will cease once an individual is no longer employed at TSSD.

For more information, including information regarding contribution rates, limits on pre-tax contributions, and distributions and withdrawals, employees should refer to the Summary Plan Description located on the TSSD website, www.tssdservices.com, employee login page.

d. Long Term Care Insurance:

TSSD offers individually written long term care insurance policies to its employees working 30 hours a week or more at group rates through LTC Financial Partners and John Hancock Insurance Co. These policies are completely portable (go with the employee) because they are written to the employee not to TSSD.

Enrollment: New TSSD employees <65 years old will be offered simplified underwriting (e.g. no automatic medical record review, review will depend on responses to a health questionnaire) if they enroll within 60 days of hire. Spouses and dependents who wish to enroll will be subject to full underwriting procedures. Existing employees may enroll during the TSSD annual open enrollment period (October 1st plus 30 days) and be eligible for the group rates but will be subject to full underwriting procedures.

Elimination Period: The Elimination Period is the length of time of long term care need which must be satisfied before an employee is eligible to receive benefits. Most LTC policies are subject to a 90 day elimination period prior to the benefits being available for use.

XI. Compensation

a. Payroll: All TSSD employees will be paid out of payroll at their agreed upon salary/rate on a bi-weekly basis. Certain employees will have their compensation terms set forth in an Employment Agreement executed by the employee and TSSD. Employees must submit approved timesheets on a timely basis. Late submissions of time sheets will result in disciplinary action up to and including termination of employment.

Payroll Discrepancies: While TSSD and our payroll vendor make every effort to ensure you are paid accurately, occasionally mistakes can happen. It is your responsibility to review your paystubs to verify they are correct and to let us know if there is a discrepancy so that we may rectify the



situation. The employee is responsible for repayment of omissions that have resulted in a loss to TSSD (e.g. inaccurate or omitted health insurance deductions) and TSSD will provide payment for verified errors resulting in an inappropriate reduction in your pay (e.g. wrong hours, wrong hourly rate).

It is the policy of TSSD to pay all employees in accordance with state and federal law and to prohibit improper deductions from the salaries of exempt employees in accordance with state and federal law. Any employee who believes that his or her salary or wages have been calculated incorrectly, or who believes that improper or excessive deductions have been made from his or her salary or wages, should report the matter to his/her supervisor or TSSD management. TSSD will promptly investigate the matter and, if warranted, will promptly reimburse the employee for any improper deductions.

Exempt Employees: Exempt employees will be paid a base salary as outlined in their Employment Agreement. The employee's base salary is intended to compensate the employee for all time worked in a work week, regardless of the number of hours worked (subject to applicable rules for permissible deductions). In addition, time worked over 30 hours in a work week will be paid on a straight time basis pursuant to client approval and the employee's applicable Employment Agreement. Deductions from an exempt employee's base salary may be made as permitted by applicable law, including for the following reasons (subject to any additional limitations imposed by applicable law):

1. Personal time off of a day or more not otherwise covered by the employee's accrued earned time bank.
2. Absences occasioned by sickness or disability of a full day or more not otherwise covered by the employee's accrued earned time bank
3. Penalties imposed for violation of safety rules
4. Unpaid disciplinary suspensions for workplace conduct rule infractions
5. Unpaid leave taken in accordance with the Family Medical Leave Act
6. The full base salary may not apply during the first and last week of employment.

b. Local Living Allowance (Per Diem)

- i. Purpose: To compensate eligible field personnel on temporary assignment for living expenses while working away from their permanent residence.



- ii. Payment: The Company shall pay eligible employees an expense allowance based upon the contractual terms and conditions with the client company.
- iii. Eligibility
 - 1. Where temporary living expenses are not offered as part of the employment package, per diem will commence on the day an eligible Employee reports for work and will cease on the last day of work at Employee's assignment.
 - 2. Where temporary living expenses are offered as part of the employment package, per diem will not commence until the time allotted for temporary living expense has expired, or until employee notifies the appropriate TSSD representative that Employee elects to cease temporary living expense reimbursement and begin per diem allowance.
 - 3. To be eligible for non-taxable per diem, Employee must maintain a permanent residence beyond fifty (50) airline miles of the facility at which she/he works, and must submit a properly completed Per Diem Eligibility Certification (located on the TSSD website (www.tssdservices.com) employee login page) and other documents that the client may require attesting to this fact prior to processing of Employee's first payroll. This certification form must be completed and returned immediately, along with the required forms/documents in the Employment Agreement package, to employer's corporate headquarters, to assure continued eligibility to receive the payments and of non-taxable per diem payments, if applicable. An updated certification form must be submitted to TSSD corporate office every twelve (12) months or more frequently if required by the client.
 - 4. Post office boxes, or other nondescript address will not qualify as a permanent residence.
 - 5. Employee is not eligible to receive per diem while away from the site (i.e., on personal leave or vacation time). To be eligible for per diem the employee must be available for work.
 - 6. The duration of the assignment must be expected to be less than one (1) year as determined by TSSD. Please review the TSSD position paper on the "Income Tax Implications of Long Term Per Diem" located on the TSSD website (employee login area).
- iv. Policing and Taxability
 - 1. TSSD will accept the completed per diem eligibility certification form together with required documentation



and other client required certification, if any, as proof of the existence of the permanent residence and will, in the absence of knowledge to the contrary, require no further substantiation. However, TSSD will not accept items listed in Section XI.b.iii.4 above, as qualifying for permanent residence.

2. If Employee is unable to satisfy the requirements set forth in Section XI.b.iii, "Eligibility" above, or fails to provide the completed certification form, then per diem payments will not be paid, or they will be classified as taxable income subject to client requirements and/or withholding and social security taxes.
3. When per diem payments are classified as taxable income, the following additional requirements may apply:
 - a. TSSD may request that the employee increase the per diem rate recorded on their timesheet. This increase is based on the terms of TSSD's contract with each Client and is intended to reimburse TSSD for the actual costs associated with this portion of the employee's compensation package becoming taxable (i.e., FICA/FUTA/SUTA, payroll-based insurances, etc.). This change is for Client invoicing purposes only and will not increase the per diem rate received by the employee.
 - b. Per diem will be treated like the employee's base compensation with respect to taxable wages and employer and employee retirement contributions.
 - c. If the client allows TSSD to mark up the employee's per diem to cover TSSD's taxes then the full amount of the per diem is paid to the employee minus any retirement plan contribution. If the client does not allow TSSD to mark up the employee's per diem, then the employee's per diem will be reduced by 10 % to cover TSSD's tax burden.
4. The assigned Project Manager, or designee, is responsible for continuously monitoring employee compliance with this policy.

v. Loss of Eligibility

1. The employee recognizes and agrees that if he/she no longer is qualified for non-taxable expenses due to sale or termination of permanent residence, he/she will immediately notify TSSD.
2. If for any reason Employee's temporary assignment is extended beyond the one year eligibility, he/she will



immediately notify TSSD in writing. TSSD will require, in writing, a detailed explanation, including extension dates, plus a request by employee to extend eligibility of non-taxable expenses. Extension may be granted based upon durations, current eligibility, and government guidelines/regulations

- c. **Expenses:** It is TSSD's intent that no employee or subcontractor loses money on a Business Trip or on assignment away from their assigned location. Reasonable expenses incurred while operating on a Client's or TSSD's behalf will be reimbursed only when accompanied by receipts (excluding mileage expenses) and upon approval by the Client or TSSD Management (e.g. expense report). Expense reimbursement will generally occur at the end of the pay period within which the approved expense report is received by TSSD.

TSSD will make every effort to ensure that Clients will reimburse mileage expenses at the current IRS Personal Vehicle Allowance Guidelines.

For employees/subcontractors receiving a per diem allowance on an active Client/TSSD assignment, meals are not reimbursable. This is due to the fact that the normal per diem allowance is intended to cover meal expenses. Meal expenses which are associated with a business-related function, such as employee recognition, meetings with clients or vendors/suppliers, etc. may be reimbursed with Client/TSSD approval.

- d. **Earned Paid Time Off Policy:** Eligible TSSD employees will accrue a pre-determined amount of hours per month to be used at the employee's discretion for personal paid time off (PTO) including time off for holidays, personal reasons and absences occasioned by sickness and disability. The pre-determined amount of hour accrued each month is specified in the Employment Agreement.

Accrual of earned time hours will begin on the date of hire.

The PTO bank will reset to 0 on January 2nd of each year. PTO accrues only for the purpose of taking paid leave as may be needed by the employee, except as specifically set forth in this policy. For PTO accrued in any given calendar year, employees must take their accrued PTO (1) by the end of the calendar year in which it accrued, or (2) by the end of the first pay period at the beginning of the next calendar year. PTO does not accrue for any other purpose and will **NOT** be reimbursed or carried over from year to year (i.e., beyond the first pay period of the year following the year in which it accrued), unless otherwise limited by applicable state law or as set forth in any applicable state supplement. The only exception to this rule is that any accrued but unused PTO will be paid out upon



termination of employment. Employees should also refer to any additional provisions regarding PTO in their specific state supplements.

Employees are considered eligible for PTO provided the following criteria are met:

- Must be routinely scheduled to work a minimum of 30 hours per week
- Must have accrued sufficient earned time hours to cover the absence
- Must be currently working on an active assignment

Once an employee's PTO bank is exhausted, subsequent personal time off and sick days will be unpaid, until additional PTO has accrued.

TSSD reserves the right to make exceptions to the Earned Paid Time Off Policy based on Client policy and any such exceptions will be outlined in the individual's Employment Agreement.

XII. Rental Car Policy

Rental car use/expenses will only be reimbursed when the vehicle is used as a temporary means of business-related transportation (i.e., business trips). Employees are responsible to provide their own means of transportation while at their regularly scheduled work locations.

While TSSD liability insurance covers its employees when using rental vehicles as transportation during business trips, employees should also accept the additional rental company insurance to cover any loss of use of the vehicle that may occur as a result of an accident, provided the additional insurance expense is Client reimbursable.

XIII. Confidential and Proprietary Information

Any materials belonging to or in the possession of TSSD or Client, whether written, printed or otherwise recorded, as well as work products resulting from a work assignment, shall be used by employee only in the performance of his/her duties and employee shall not record, reference, reproduce or use such materials for any other purpose without the express written consent of TSSD and/or Client. All rights, title to and interest in such material shall remain with TSSD and/or Client, and all such material shall be surrendered to TSSD and/or Client immediately upon termination of employment, or any time prior thereto, upon the request of the TSSD and/or Client.

Employees shall not disclose or use, other than as may be required in the performance of their duties, such material including, without limitation, any material relating to (i) TSSD or Client entities or (ii) any person or organization dealing with TSSD or Client, both during the period of



employment and thereafter. Upon termination of employment, or otherwise as requested by TSSD, employees must promptly and immediately return any and all of TSSD's or a Client's property and information, including but not limited to any and all of TSSD's or a Client's confidential or proprietary information, including all copies and information maintained in any format.

Employees shall not (i) release any information (including photographic recordings or any information concerning the work, or any part thereof) or (ii) make any announcements except as may be required by law, to any third party, member of the public, press, or official body, unless prior written consent is obtained from TSSD and/or Client. Employee hereby acknowledges that disclosure of TSSD's or a Client's confidential information by it or breach of the provisions contained herein will give rise to irreparable injury to TSSD and/or Client and such breach or disclosure is inadequately compensable in money damages. Accordingly, TSSD and/or Client may seek injunctive relief against the breach or threatened breach of the foregoing undertakings. Such remedy shall not be deemed to be the exclusive remedy for any such breach, but shall be in addition to all other remedies available at law or equity.

In the performance of the work, employees shall comply with and shall protect all rights of patents, including patent pending, copyrights, trademarks, secret processes, trade secrets and any other proprietary interest of (i) TSSD or Client, (ii) which TSSD or Client is obligated to comply with or protect or (iii) which are otherwise involved in or related to employee's performance of the work.

Any information, designs, data or engineering results delivered to Client and which are generated for the first time by employees in performance of their duties solely at TSSD or a Client's expense shall be considered TSSD or Client confidential material and shall become the property of the TSSD or Client.

To the extent the scope of work includes disclosure of TSSD or Client customer, retiree or employee related personal information, which is breached, employee must immediately notify TSSD and/or Client of any such breach. Time is of the essence, since TSSD may be obligated to notify Client no later than five (5) calendar days from the date of the breach. For the purposes of this Agreement, "personal information" includes, without limitation, any TSSD or Client customer, retiree or employee name accompanied by any of the following data elements that are not encrypted; (i) social security number, (ii) driver's license number or government issued ID numbers, (iii) account, credit card number, debit card number (in combination with any required password that would permit access to the individual's financial account), (iv) banking information, (v) date of birth, (vi) protected health information (PHI) and (vii) employee salary information. For the purposes of this policy,



“breach” means any unlawful or unauthorized acquisition of computerized data that materially compromises the security, confidentiality or integrity of personal information maintained by TSSD or Client.

XIV. Electronic Systems, Email & Internet Use Policy

All of TSSD’s electronic, communication, and computer equipment, systems, software and services, including but not limited to TSSD’s electronic mail (e-mail), internet access, and voice mail equipment and systems (collectively, the “Electronic Systems”), are the property of TSSD. Similarly, all of a Client’s Electronic Systems are the property of the Client. All communications, data, records, files and other information (collectively, the “Information”) created through the use of, or retained in, either TSSD’s or the Clients Electronic Systems are the property of TSSD or the Client, respectively. TSSD and its Clients make the Electronic Systems and the Information available to TSSD’s employees for the purpose of conducting company business. Employees are subject to a particular Client’s policies and procedures regarding that Client’s Electronic Systems.

Electronic communications (e.g. email, Internet, PDAs) are important tools that facilitate the exchange of business related information. However, these systems also bring about the possibility of breaches to the security of confidential TSSD and Client information. For this reason, and to assure the use of work time appropriately for work, we ask staff members to limit electronic communication use, **on TSSD/Client time to conducting TSSD/Client business only**. Incidental and occasional personal and **appropriate** use is permitted outside of working hours (e.g. during lunch or breaks).

Usage:

1. Electronic communications should not be used to distribute chain letters, jokes or “junk” email.
2. Under no circumstances may TSSD or Client computers or other Electronic Systems be used in any way that may be disruptive, offensive or threatening to others.
3. Viewing sexually explicit material or sending sexually explicit jokes or stories via email is considered sexual harassment and will be addressed according to our sexual harassment policy. In addition, any emails that discriminate against employees by virtue of any protected classification including race, gender, nationality,



religion, and so forth, will be dealt with according to the harassment policy.

4. TSSD or Client confidential information should not be shared via Email without authorization.

Please be reminded that any communications sent using the Client's email address or "@tssdservices.com" may be considered to represent the Client and/or TSSD and therefore may be construed to represent the policy or views of the Client/TSSD rather than the personal views or opinions of the employees.

TSSD and/or the Client own any communication sent via company email or that is stored on Electronic Systems. TSSD and/or Client management and other authorized staff have the right to access any material in your company email or on your company computer at any time. TSSD and its Clients reserve the right to monitor the operation and use of the Electronic Systems and to access all Information, including email and internet access and usage. Employees, consultants, vendors, contractors, clients, and suppliers using such Electronic Systems for personal or other non-company purposes do so at their own risk and with the knowledge that TSSD or its Clients may monitor, use, and access any and all Information resulting from such use.

All passwords and codes used in connection with the Electronic Systems and the Information are the property of TSSD or the Client, as appropriate. TSSD or the Client may override individual passwords and codes and require employees to disclose any passwords or codes. Employees must abide by, and not attempt to circumvent, all systems' security controls, including but not limited to the passwords of other individuals. TSSD prohibits employees from accessing or attempting to access or use the e-mail or voice mail systems of a co-worker unless authorized to do so.

XV. Protection of Client and TSSD Networks and Data

All TSSD workers are responsible to protect TSSD and client networks from virus attack, unauthorized access and data theft. Workers shall comply with all TSSD and client requirements regarding network access and connecting electronic devices to client systems. Workers shall only connect client authorized devices to the client system. Workers shall ensure that any device connected is free from viruses. Workers shall not disclose access credentials to unauthorized persons. Workers shall report any network intrusion or network virus discovered immediately to the appropriate IT department and their supervisor.



XVI. Blogging and Social Networking

The following policy governs the use of so-called social networking websites, including but not limited to Facebook, MySpace, Twitter, LinkedIn, YouTube, Digg (collectively “social networking sites”), as well as weblogs (“blogs”) and other postings, by TSSD’s employees. The absence of, or lack of explicit reference to a specific site does not limit the application of this policy. When no policy or guideline exists, or if you have any questions regarding this policy, consult with your supervisor. Employees engaging in online social networking and blogging activities are subject to all company policies, procedures and prohibitions, including but not limited to the company’s policies on: (i) protecting the confidentiality of company, employee and customer information; (ii) safeguarding company property, including, but not limited to, the company’s Electronic Systems; (iii) the prohibition against unlawful discrimination and harassment; and (iv) the use of the company’s internet, e-mail and electronic systems and media.

In addition, employees are subject to a particular Client’s policies and procedures regarding blogging and social networking, and additional restrictions may apply.

TSSD recognizes that social networking sites and blogs are popular and may be used for both social and business purposes. However, TSSD has an interest in protecting its image, goodwill, and reputation in the community. For this reason, TSSD expects you to conduct yourself in a professional manner and exercise good judgment and comply with all of TSSD’s applicable policies when using a social networking site and/or blog.

Limited personal use of the internet is permitted *so long as any such usage is on the user's own time and does not interfere in any way with the person's job responsibilities*. Any such usage, including any postings, must be engaged in with care and not cause any adverse publicity or embarrassment to the company.

As noted above, when using a social networking site and/or blogging, employees must adhere to applicable policies. Employees also must adhere to applicable laws and must not use the internet in a manner that could be deemed defamatory, harassing, or discriminatory.

Any conduct or act which the company deems to be detrimental to, or to interfere with, the interests of the company, its employees, customers, vendors or suppliers, or the public, may result in disciplinary action.



Employees should not make any communications or express any views in any manner that would suggest that their views or opinions are the views or opinions of TSSD, unless expressly authorized to do so by TSSD.

Violations of this policy may result in disciplinary action, up to and including termination of employment.

XVI. Conflicts of Interest

As an employee of TSSD, it is understood you will not maintain any outside business or financial interest which conflict with the interests of TSSD or its Clients or which interferes with the performance of your job responsibilities to the best of your ability.

Employees must not have a financial interest in any company which is in competition with, or a supplier to, TSSD. Financial interests held by immediate family members in such companies are to be disclosed to your supervisor so that a determination can be made as to whether a conflict exists.

In addition, employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of TSSD's or its Clients' business dealings. In addition, a conflict of interest with TSSD or a Client can arise when an employee fails to report required information as required by TSSD or the Client or engages in conduct that would be detrimental to TSSD's or a Client's best interests or business reputation. Further, outside employment may present a conflict of interest if the outside employment has an adverse effect on TSSD or a Client.