



*Employee
Handbook*

Investing in our future

**EMPLOYEE HANDBOOK
HIES.**

EMPLOYEE STATEMENT OF ACKNOWLEDGMENT

This is to acknowledge that I have received a copy of the Hawaii International Environmental Services, Inc. [HIES] employee handbook. I understand that it provides guidelines and summary information about HIES's personnel policies, procedures, benefits, and rules of conduct. I also understand that it is my responsibility to read, understand, become familiar with, and comply with the standards that have been established. I further understand that HIES reserves the right to modify, supplement, rescind, or revise any provision, benefit, or policy from time to time, with or without notice, as it deems necessary or appropriate.

I acknowledge that I have read and understand and agree to HIES's policies regarding drugs, alcohol and controlled substances, confidentiality of Company information and sexual harassment.

I also acknowledge that both HIES and I have the right to terminate the employment relationship at any time, with or without cause or advance notice, and that this employment at will relationship will remain in effect throughout my employment with HIES unless it is specifically modified by a written agreement signed by me and the Owners of HIES.

I further acknowledge that this employment may not be modified by any oral or implied agreement.

Employee's Name (Please Print)

Employee's Signature

Date

**EMPLOYEE HANDBOOK
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INTRODUCTORY STATEMENT

Welcome to HIES. We are pleased to have you join us. We hope you will find your work with us to be both rewarding and challenging. Our company provides the highest quality Environmental Engineering Consulting, GIS/IT Services, Construction Management and related services. Our major competitive advantage is our quality and technical knowledge in delivering our products and services. We have a quick response time to our customer base and have developed long-lasting relationships with our customers. Our company culture is to provide superior service to our customer in a professional manner, on time, and without exception in order to facilitate long term relationships and generate good will.

The foremost responsibility is to know one's own duties and how to do them promptly, correctly and pleasantly. We are also expected to cooperate with management and fellow employees so to maintain a good team attitude. How we interact with fellow employees and those whom HIES serves, and how one accepts direction can affect the success of HIES. In turn, our performance can impact the entire service offered by our Company. Consequently, whatever the position, one has an important assignment to perform every task to the very best of ability. The result will be better performance for the company overall, and personal satisfaction. We encourage everyone to be the best and do their best. Our company needs people who are conscientious, professional, and committed to the highest quality work..

Thank you for joining us and we look forward to working with you.

This employee handbook applies to all employees of HIES and is intended to provide guidelines and summary information about our Company's personnel policies, procedures, benefits, and rules of conduct.

It is important that you read, understand, and become familiar with the handbook and comply with the standards that have been established. Please talk with your supervisor if you have any questions or need additional information.

It is obviously not possible to anticipate every situation that may arise in the workplace or to provide information that answers every possible question. Throughout this manual the terms "HIES" and "the Company" are used interchangeably. For the sake of clarity and ease of understanding, any use of masculine gender terms are applicable to both male and female employees. The words "manager" and "supervisor" are interchangeable.

The contents of this manual are presented for your information and understanding of our policies and procedures. This manual, in whole or in part, does not constitute an employment contract between you and the company, nor does it constitute an offer of continued employment. Any portion of this manual or company policies or procedures are subject to change at the sole discretion of the company.

SECTION I: EMPLOYMENT

A. *EMPLOYMENT AT WILL*

HIES does not offer tenured or guaranteed employment. Either the Company or the employee can terminate the employment relationship at any time, with or without cause, with or without notice. This is called [Employment At Will](#).

This employment at will relationship exists regardless of any other written statements or policies contained in this Handbook or any other Company documents or any verbal statement to the contrary.

Progressive Discipline and Employment At Will:

While the Company may elect to follow its progressive discipline procedure, HIES is in no way obligated to do so. Using progressive discipline is at the sole discretion of the company in an employment at will workplace.

Exceptions to the Employment at Will Policy:

No one except The Company's CEO/President can enter into any kind of employment relationship or agreement that is contrary to the previous statement. To be enforceable, such relationship or agreement must be in writing, signed by the CEO/President, and notarized.

B. *EQUAL EMPLOYMENT OPPORTUNITY*

HIES is committed to equal employment opportunity for all qualified persons, without regard to race, color, religion, sex (including pregnancy, childbirth and related medical conditions), national origin, ancestry, age, physical disability, mental disability, medical condition, family care status, veteran status, marital status, or sexual orientation, to the extent required by law. This applies to all employment practices, including hiring, promotions, training, disciplinary action, termination, and benefits. We will also make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability that is an applicant or an employee, unless undue hardship to the Company would result.

Any employee who requires an accommodation in order to perform the essential functions of the job should contact his or her supervisor, or the Ownership of the company and request such an accommodation. The individual with the disability should specify what accommodation he or she needs to perform the job.

The company will identify possible accommodations, if any, that will help eliminate the limitation. If it is reasonable and will not impose an undue hardship, HIES will make the accommodation.

We expect all employees to show respect and sensitivity toward all other employees, and to demonstrate a commitment to HIES's equal opportunity objectives. If you observe a violation of this policy, you should report it immediately.

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

C. IMMIGRATION REFORM AND CONTROL ACT OF 1986

I-9 Form: Employment Eligibility Verification Form

First required by the Immigration Reform and Control Act (IRCA) of 1986, the I-9 Form verifies the eligibility of an employee to work legally in the United States. Employers are required to verify this employment eligibility for every employee hired.

It is against the law for any employer to knowingly hire employees who are not authorized to work in the United States. As part of the employment eligibility verification process, on the first day of employment, employees must provide proof that they are U.S. citizens or nationals, lawful permanent residents, or people otherwise authorized to be employed in the United States.

Within three days of hire, every new employee must show their employer documentation that establishes both proof of their identity and proof of their eligibility to work in the United States. The I-9 Form must be completed for every new employee, regardless of their national origin or whether or not the employee is a U.S. citizen.

D. EMPLOYMENT OF MINORS

The employment of minors is restricted by the provisions of state and federal law. The Fair Labor Standards Acts limits jobs a person under the age of 18 may work. If you are under 18 years of age, you may not work at jobs that involve: (1) Any driving by 16-year olds, limited driving for 17-year olds and being an outside helper on a motor vehicle, or (2) power-driven cutting or fabricating machines. Additionally, various State and Federal laws restrict the number of hours and the times that you may work.

E. EMPLOYMENT OF RELATIVES

Married couples or other immediate family members may not work, or in any situation that could result in a conflict of interest or problem with supervision. HIES may require a related employee to transfer or resign if there is a conflict of interest or management problem of supervision that cannot be resolved.

F. BACKGROUND AND SECURITY CHECKS

HIES. reserves the right to conduct a background investigation of any employee or potential employee. This includes but is not limited to (1) driving record, if the position requires the operation of a motor vehicle, (2) professional and personal references, (3) background, (4)

education, and (5) prior employers. The Company will at all times be in compliance with applicable laws regarding privacy and may require the employee to sign a release form authorizing the information be provided. In many instances, a security clearance of different levels may be required to perform duties and functions for our clients under the Department of Defense, State and Federal Governments.

SECTION II: PERSONNEL INFORMATION

A. EMPLOYEE CLASSIFICATIONS

Your first **sixty (60) days** of employment at HIES are considered an Introductory Period, and during that period you will not accrue benefits described in this manual unless otherwise required by law. This Introductory Period will be a time for getting to know your fellow employees, your supervisor and the tasks involved in your job position, as well as becoming familiar with our products and services. Your supervisor will work closely with you to help you understand the needs and processes of your job.

This Introductory Period is a try-out time for both you, as an employee, and HIES as an employer. During this Introductory Period, we will evaluate your suitability for employment, and you can evaluate us as well. At any time during this first **sixty (60) days**, you may resign without any detriment to your record. If, during this period, your work habits, attitude, attendance or performance does not measure up to our standards, we may release you.

At the end of the Introductory Period, your supervisor will discuss your job performance with you. This review will be much the same as the normal job performance review that is held for regular full-time or part-time employees. During the course of the discussion, you are encouraged to give your comments and ideas as well. You will be made a regular employee at the end of the trial period if your work and attendance have been satisfactory and you are suited to the job.

Please understand that completion of the Introductory Period does not guarantee continued employment for any specified period of time, nor does it require that an employee be discharged only for "cause."

HIES classifies employees in a number of different ways, as follows:

- (1) Full Time Employee - you are considered to be a full time employee if you are normally scheduled to work at least forty (40) hours each workweek.
- (2) Part Time Employee - you are considered to be a part time employee if you are normally scheduled to work less than **nineteen (19) hours** each workweek.
- (3) Contract Employee - - contract employees are hired to work with the specific understanding that such work will be completed within a period of time of the specific contract. No benefits are provided to contract employees except for those required by law

(3) Temporary Employee - temporary employees are hired to work with the specific understanding that such work will be completed within a short period of time, usually not more than 90 days. No benefits are provided to temporary employees except for those required by law.

(4) Nonexempt Employee - nonexempt employees are typically hourly employees who are eligible to receive overtime pay, if applicable, in accordance with the provisions of state and federal law.

(5) Exempt Employee - exempt employees are generally salaried employees and are not covered by the overtime provisions of state and federal law and are therefore not eligible for overtime pay.

B. TARDINESS AND ABSENCE

It is important that employees work their assigned schedules as consistently as possible. However, if you are unable to report to work for any reason, **you** (or an immediate family member) must call your supervisor no later than **7:15 AM** of the workday at office. It is **your** responsibility to keep HIES informed on a daily basis during a short-term absence and to provide medical verification when asked to do so. A telephone number must be provided where you can be reached. An employee reporting absence due to illness or injury for 3 or more consecutive days will be required to provide medical verification prior to being allowed to return to work. Your first day back on the job after you are sick you must file and report the PTO on a PTO request form and submit it to your manager.

Nonexempt employees are expected to be at their workstation ready to begin work at the beginning of their scheduled shift, and at the end of their scheduled meal period and breaks. Except in an emergency, nonexempt employees must have their supervisor's permission to leave work before they are regularly scheduled to do so.

If you know in advance that you will need to be absent, you are required to request this time off directly from your supervisor. He or she will determine when will be the most suitable time for you to be absent from your work.

If you have to leave after you come into work you must notify your manager ahead of time by requesting PTO and informing the manager. If you have to leave unexpectedly during the day you must notify your manager before leaving the premises. If you leave the premises for any other reason other than an actively scheduled duty that is documented with the company, proper notification must occur.

A tardy or absence is considered "excused" only when you call ahead of time and the tardy or absence is for a compelling reason. HIES reserves the right, at its sole discretion, to determine what constitutes a compelling reason. A tardy or absence for a non-compelling reason, and failing to call in according to company policy, will be considered "unexcused."

HIES considers "unexcused" tardiness and absence to be a serious problem. However, employees who are tardy or absent excessively or show a consistent pattern of absence, *whether "excused" or "unexcused"*, may be subject to disciplinary action, up to and including possible termination. An employee with 3 or more unexcused tardies during any year will be subject to disciplinary action up to and including possible termination of employment.

If you do not call in or report to work by the end of the workday, you may be considered to have voluntarily resigned.

B. TERMINATION (Defined)

(1) Voluntary Resignation - a voluntary resignation is a termination that is initiated by the employee. We would like you to give at least two weeks written notice before you leave your job. Written notice should include your reason for leaving, as well as the name and address of your new employer, if applicable.

(2) Involuntary Termination - an involuntary termination is a termination that is initiated by HIES for reasons other than changing business conditions.

(3) Layoff - a layoff is a termination of employment that results from changing business conditions that necessitate a reduction in staff. Whenever HIES determines, in its sole discretion, a layoff should occur, the following factors will be among those considered: versatility, qualifications, skill, ability, performance, efficiency, loyalty, attitude, and dependability.

As a general policy, HIES will consider rehiring an involuntarily terminated employee who has been subject to a layoff due to lack of work.

Our company is constantly in need of good employees. You were hired because we believed that you are one of the best. Therefore, should you voluntarily leave our employment, we certainly do not want to close the door on rehiring. Reemployment will be based on the individual's qualifications for job openings, if any. Rehires will be considered Probationary Employees for benefit purposes.

An exit interview with any terminating employee is required to review with the employee a summary of benefits where applicable, continuation of health and life insurance benefits, other benefits and re-employment assistance, and to ensure the company has all necessary documentation (including current mailing address) to provide you with COBRA and W-2 information. In the case of employees voluntarily leaving our employ, we desire to hear your reasons for leaving and any unresolved problems you experienced in our Company.

D. PERSONNEL RECORDS

It is important that HIES always have correct and current information about you. Our personnel records must be up-to-date at all times. It is important that the company be notified immediately of any change in your status. These changes include marriage, divorce, and birth of children, change of address and/or telephone number. Remember that we may have to contact your family or relatives in case of sickness or accident. It is especially important that we have your address if you should leave our employ so that we can mail your W-2.

Employee personnel files are securely maintained in the office. Upon written request, you will be allowed to review any personnel records that have been used to determine your qualifications for employment, promotion, compensation, termination, or other disciplinary action. Make an appointment during normal business hours. All employee records are the property of HIES... and may not be removed without the approval of ownership. Copies of information or documents may be obtained upon written request.

Office personnel will provide you with information or guidance on any human resource activity, insurance questions or claims, taxes or payroll deductions.

E. PROMOTION

It is HIES's intent to give qualified employees preference over others when filling job openings within the Company. We will endeavor to utilize the abilities of our employees to the fullest extent possible, and to fill the more responsible jobs by promoting employees from within the organization wherever and whenever possible. However, because of the experience, skills, and educational requirements of many jobs, promotions from within HIES are not always possible. Employees' past performance, experience, attitude, qualifications, and potential are all-important factors which will be considered in making promotion decisions.

HIES is dedicated to assisting employees to reach their professional goals through internal promotion and transfer opportunities

To apply for an opening:

Step 1: Ensure that you meet the following eligibility requirements.

- You are a current, regular full- or part-time (your company) employee.
- You have been in your current position for at least six months. (Exceptions to this six-month requirement can be made by your current supervisor and should be consistent with company business needs.)
- Your performance meets performance development plan (PDP) standards or established work standards in your current position.
- You have not had an employee counseling or corrective action within six months. You are not following a performance improvement plan for your current position.
- You meet the qualifications listed for the position on the job posting.

Step 2: Complete an Internal Job Application form.

Applications are available from Human Resources, the reception area of the front office and in the form bins on the right wall of the lunchroom. Attach your resume, if you have one, to the completed application.

Step 3: Submit the Internal Job Application to your supervisor for approval.

Step 4: Submit your completed and approved Internal Job Application to HR.

Step 5: Candidates who are qualified will participate in an initial interview with the supervisor of the position, if they have not interviewed with that particular supervisor within the past six months. Finalists will participate in two additional interviews, with an HR representative and with an internal customer of the position or a manager. The selected person will be notified by the supervisor of the position.



Internal Job Application Form:

Posted Position:	Today's Date:
Name:	Date of Hire:
Address:	Current Position:
Home Phone:	Cell Phone:

Please describe your qualifications (your background and experience) that make you a good candidate for this position. (Use the back if you need more space.)

Describe your educational background including majors, minors and areas of special interest or study.

Highest Degree Earned: _____ School: _____
List work-related training and certifications.

Why do you wish to change positions?

Supervisor Signoff: _____ Date: _____

[optional form follows]

OPTIONAL Internal Application continued:

Providing the following information is strictly voluntary on your part, and is not required to complete your Application for Employment. Nor, will providing the information or not providing the information affect your application.

Federal government regulations require (organization name) to maintain records of job applicants by gender and race. Additionally, we collect this information to ensure that we are monitoring our own success in encouraging diverse applicants.

Please assist us by providing the requested information. Providing this information is strictly voluntary on your part, and is not required to complete your Application for Employment.

Female Male

1. African-American/Black (not of Hispanic origin)
2. Asian or Pacific Islander (includes Indian Subcontinent)
3. American Indian or Alaskan Native
4. Hispanic/Latino (Spanish culture or origin, regardless of race)
5. White (persons not of Hispanic origin, having origins in any of the original peoples of Europe, North Africa, or the Middle East)
6. Race not included above [Please specify]_____

Are you multi-racial or multi-ethnic (parents from two or more of the above listed groups)?

Yes No

If yes, please specify

Thank you for your assistance.

HIES POLICY GUIDELINES

Cell Phone Policy

This policy about cellular phone usage applies to any device that makes or receives phone calls, leaves messages, sends text messages, surfs the Internet, or downloads and allows for the reading of and responding to email whether the device is company-supplied or personally owned.

Company Owned and Supplied Devices or Vehicles

An employee who uses a company-supplied device or a company-supplied vehicle is prohibited from using a cell phone, hands on or hands off, or similar device while driving, whether the business conducted is personal or company-related. This prohibition includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment; the business; our customers; our vendors; volunteer activities, meetings, or civic responsibilities performed for or attended in the name of the company; or any other company or personally related activities not named here while driving. Use of company owned vehicles or devices for personal business is discouraged.

Cell Phones or Similar Devices at Work

HIES is aware that employees utilize their personal or company-supplied cellular phones for business purposes. At the same time, cell phones are a distraction in the workplace. To ensure the effectiveness of meetings, employees are asked to leave cell phones at their desk. Or, on the unusual occasion of an emergency or anticipated emergency that requires immediate attention, the cell phone may be carried to the meeting on vibrate mode.

Personal Cell Phone or Similar Device Use for Business

HIES is aware that employees currently use their cell phones for business purposes while driving in their personal vehicle and using their personal cell phone or similar device. Due to research that indicates that cell phone use while driving is dangerous, and may even approach the equivalent danger of driving while drunk, according to some studies, HIES prohibits employee use of personal cellular phones, either hands on or hands free, or similar devices, for business purposes related in any way to HIES, while driving.

This prohibition of cell phone or similar device use while driving includes receiving or placing calls, text messaging, surfing the Internet, receiving or responding to email, checking for phone messages, or any other purpose related to your employment; the business; our customers; our vendors; volunteer activities, meetings, or civic responsibilities performed for or attended in the name of HIES; or any other company related activities not named here while driving. You may not use your cellular phone or similar device to receive or place calls, text messages, surf the

Internet, check phone messages, or receive or respond to email while driving if you are in any way doing activities that are related to your employment.

We recognize that other distractions occur during driving, however curbing the use of cell phones, while driving, is one way to minimize the risk, for our employees, of accidents. Therefore, you are required to stop your vehicle in a safe location so that you can safely use your cell phone or similar device. Engaging in HIES business using a cell phone or similar device while driving is prohibited. Engaging in HIES business using a cell phone or similar device that is supplied by the company, or while driving a company-supplied vehicle, while driving, is prohibited.

Employees who violate this policy will be subject to disciplinary actions, up to and including employment termination.

[Concealed Weapons Policy](#)

Employees may not, at any time while on any property owned, leased or controlled by HIES, including anywhere that company business is conducted, such as customer locations, client locations, trade shows, restaurants, company event venues, and so forth, possess or use any weapon. Weapons include, but are not limited to, guns, knives or swords with blades over four inches in length, explosives, and any chemical whose purpose is to cause harm to another person.

Regardless of whether an employee possesses a concealed weapons permit or is allowed by law to possess a weapon, weapons are prohibited on any company property or in any location in which the employee represents the company for business purposes, including those listed above.

Possession of a weapon can be authorized by the company's president to allow security personnel or a trained employee to have a weapon on company property when this possession is determined necessary to secure the safety and security of company employees. Only the president, or his designee, may authorize the carrying of or use of a weapon.

Employees who violate this policy will be subject to disciplinary actions, up to and including employment termination.

[Personnel File Policy](#)

HIES maintains three employee files for each employee.

A **personnel file** is maintained for each employee of HIES. These personnel files contain confidential documents and are managed and maintained by Human Resources staff.

Typical documents in a personnel file include the employment application, a family emergency contact form, documented disciplinary action history, a resume, employee handbook and at-will employer sign off sheets, current personal information, and job references. Not all personnel files contain the same documents but each personnel file has some documents that are the same.

Payroll files are also maintained; payroll files contain a history of the employee's jobs, departments, compensation changes, and so on.

An **employee medical file** is also maintained. The contents of the medical file are not available to anyone except Human Resources designated staff and the employee whose records are retained in the file. At HIES, medical files receive the highest degree of safe storage and confidentiality.

An employee may view his or her personnel file by contacting a Human Resources staff person during normal business hours. No employee may alter or remove any document in his or her personnel file which must be viewed in the presence of an HR staff person.

Personnel File Access Policy

All employees, former employees, and representatives of employees may view certain contents of their personnel file with advance notice to Human Resources staff. Documents that relate to the employee's qualifications for hire such as the application, promotion, disciplinary action, and transfer **may be viewed**. Additionally, the employee may review policy signoff forms and training records.

Documents that the employee **may not review** include: references or reference checks, records of any investigation undertaken by management, medical records, documents related to a judicial proceeding, any document that would violate the confidentiality of another employee, and documents used for employee planning.

Procedure

An employee who wants to review the allowable contents of their personnel file should contact Human Resources with 24 hours notice. Former employees, or people unknown to the Human Resources staff, must present identification and / or proof of permission to access the personnel file.

Personnel files must be reviewed in the presence of a Human Resources staff person. No part of the personnel file may be removed from the office by the employee. Photocopies of the file, or portions of the file, may be requested by the employee. Within reason, the Human Resources staff person will provide photocopies. For extensive copying, the employee will need to pay for the photocopies.

If the employee is unhappy with a document in his or her personnel file, in the presence of the Human Resources staff person, the employee may write an explanation or clarification and attach it to the disputed document.

The employee may also ask to have a document removed from the personnel file. If the Human Resources staff person agrees, the document may be removed. If the Human Resources staff

person disagrees, the matter may be appealed in the manner proscribed in the Company Open Door Policy.

[Health and Safety Policy](#)

HIES Environmental, Health & Safety Policy

HIES is committed to a clean, safe and healthy workplace and environment. All aspects of our business are managed in a safe and environmentally responsible manner in accordance with the principles set forth in this policy. We believe these actions benefit our customers, shareholders, employees and the public, both now and for the future, while improving the quality of the environment. This policy reaffirms our commitment to environmental stewardship and protecting the well being of our customers, employees and the public.

[Management Commitment](#)

All levels of HIES management are committed to, and accountable for, implementing, maintaining, measuring, and improving the environmental, health and safety programs of the Company. Self assessments of our performance in these areas will be routinely conducted. We will measure performance and hold all employees accountable through performance enhancement processes.

[Culture](#)

We will foster a culture that encourages safe, healthy and environmentally-responsible behavior by clearly defining the responsibilities of all employees. We will encourage proactive employee involvement in these efforts. Incentives for extraordinary performance will be provided

[Health & Safety](#)

Safety is the overriding value of all aspects of our business. We will continually provide a safe and healthy environment for our employees, our customers and the community. We demand safe work behavior, practices, design and systems.

[Pollution Prevention](#)

Pollution prevention is an operating objective. We strive to prevent or reduce the generation of waste at the source. Our impact on the environment is minimized through good engineering practices. Where waste cannot be eliminated, it will be managed in compliance with all applicable requirements.

[Community](#)

We support and participate in the design, development and establishment of sound public policy

and educational initiatives that protect human health and the environment. We will work with governments and others in creating responsible laws, regulations and standards to safeguard the community, workplace and environment. We will share with the communities our performance in the environmental, health and safety areas.

Compliance

Compliance with all applicable environmental, health and safety laws and regulations is required. All of our employees, from the officer level to the front line, are responsible and accountable for compliance and have an obligation to bring issues and concerns forward for resolution. We will actively seek sound business opportunities to go beyond regulatory requirements.

Stewardship of Natural Resources

We will responsibly use natural resources, such as air, water, soils and forests, and we will help to conserve these natural resources through efficient use and careful planning. We will pursue an energy resource plan that emphasizes environmental protection, energy conservation and efficiency. We will responsibly address conditions that endanger health, safety or the environment.

Internet, software & Email Policy

Voice mail, email, and Internet usage assigned to an employee's computer or telephone extensions are solely for the purpose of conducting Company business. Some job responsibilities at the Company require access to the Internet and the use of software in addition to the Microsoft Office suite of products. Only people appropriately authorized, for Company purposes, may use the Internet or access additional software.

Software Access Procedure

Software needed, in addition to the Microsoft Office suite of products, must be authorized by your supervisor and downloaded by the IT department. If you need access to software, not currently on the Company network, talk with your supervisor and consult with the IT department.

Internet Usage Policy

Internet use, on Company time, is authorized to conduct Company business only. Internet use brings the possibility of breaches to the security of confidential Company information. Internet use also creates the possibility of contamination to our system via viruses or spyware. Spyware allows unauthorized people, outside the Company, potential access to Company passwords and other confidential information.

Removing such programs from the Company network requires IT staff to invest time and

attention that is better devoted to progress. For this reason, and to assure the use of work time appropriately for work, we ask staff members to limit Internet use. Additionally, under no circumstances may Company computers or other electronic equipment be used to obtain, view, or reach any pornographic, or otherwise immoral, unethical, or non-business-related Internet sites such as facebook, myspace, ebay etc. Doing so can lead to disciplinary action up to and including termination of employment.

Email Usage at Company

Email is also to be used for Company business only. Company confidential information must not be shared outside of the Company, without authorization, at any time. You are also not to conduct personal business using the Company computer or email. Please keep this in mind, also, as you consider forwarding non-business emails to associates, family or friends. Non-business related emails waste company time and attention.

Viewing pornography, or sending pornographic jokes or stories via email, is considered sexual harassment and will be addressed according to our sexual harassment policy.

Emails That Discriminate

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.

These emails are prohibited at the Company. Sending or forwarding non-business emails will result in disciplinary action that may lead to employment termination.

Company Owns Employee Email

Keep in mind that the Company owns any communication sent via email or that is stored on company equipment. Management and other authorized staff have the right to access any material in your email or on your computer at any time. Please do not consider your electronic communication, storage or access to be private if it is created or stored at work.

Blogging & Social Media Policy

HIES recognizes the importance of the Internet in shaping public thinking about HIES and our current and potential products, employees, partners, and customers. HIES also recognizes the importance of our employees joining in and helping shape industry conversation and direction through blogging and interaction in social media. So, HIES is committed to supporting your right to interact knowledgeably and socially in the blogosphere and on the Internet through blogging and interaction in social media.

Consequently, these guidelines in this blogging and social media policy will help you make appropriate decisions about your work-related blogging and the contents of your blogs, personal Web sites, postings on wikis and other interactive sites, postings on video or picture sharing

sites, or in the comments that you make online on blogs, elsewhere on the public Internet, and in responding to comments from posters either publicly or via email. Our internal [Internet and Email Policy](#) remains in effect in our workplace.

These guidelines will help you open up a respectful, knowledgeable interaction with people on the Internet. They also protect the privacy, confidentiality, and interests of your company and our current and potential products, employees, partners, customers, and competitors.

Note that these policies and guidelines apply only to work-related sites and issues and are not meant to infringe upon your personal interaction or commentary online.

[Guidelines for Interaction About HIES on the Internet](#)

- If you are developing a Web site or writing a blog that will mention your company and / or our current and potential products, employees, partners, customers, and competitors, identify that you are an employee of your company and that the views expressed on the blog or Web site are yours alone and do not represent the views of the company.
- Unless given permission by your manager, you are not authorized to speak on behalf of the company, nor to represent that you do so.
- If you are developing a site or writing a blog that will mention our company and / or our current and potential products, employees, partners, customers, and competitors, as a courtesy to the company, please let your manager know that you are writing them. Your manager may choose to visit from time to time to understand your point of view.

[Confidential Information Component of the Blogging Policy](#)

- You may not share information that is confidential and proprietary about the company. This includes information about trademarks, upcoming product releases, sales, finances, number of products sold, number of employees, company strategy, and any other information that has not been publicly released by the company.

These are given as examples only and do not cover the range of what the company considers confidential and proprietary. If you have any question about whether information has been released publicly or doubts of any kind, speak with your manager and the Public Relations department before releasing information that could potentially harm HIES, or our current and potential products, employees, partners, and customers. You may also want to be aware of the points made in the non-disclosure agreement you signed when you joined our company.

- HIES’s logo and trademarks may not be used without explicit permission in writing from the company. This is to prevent the appearance that you speak for or represent the company officially.

Respect and Privacy Rights Components of the Blogging Policy

- Speak respectfully about HIES and our current and potential employees, customers, partners, and competitors. Do not engage in name calling or behavior that will reflect negatively on HIES’s reputation. Note that the use of copyrighted materials, unfounded or derogatory statements, or misrepresentation is not viewed favorably by HIES and can result in disciplinary action up to and including employment termination.
- HIES encourages you to write knowledgeably, accurately, and using appropriate professionalism. Despite disclaimers, your Web interaction can result in members of the public forming opinions about HIES and its employees, partners, and products.
- Honor the privacy rights of our current employees by seeking their permission before writing about or displaying internal company happenings that might be considered to be a breach of their privacy and confidentiality.

Competition Component of the Blogging Policy

- You may not sell any product or service that would compete with any of HIES’s products or services without permission in writing from the president. This includes, but is not limited to training, books, products, and freelance writing. If in doubt, talk with your manager and the president.

Your Legal Liability Component of the Blogging Policy

- Recognize that you are legally liable for anything you write or present online. Employees can be disciplined by the company for commentary, content, or images that are defamatory, pornographic, proprietary, harassing, libelous, or that can create a hostile work environment. You can also be sued by company employees, competitors, and any individual or company that views your commentary, content, or images as defamatory, pornographic, proprietary, harassing, libelous or creating a hostile work environment.

Media Contact Component of the Blogging Policy

- Media contacts about HIES and our current and potential products, employees, partners, customers, and competitors should be referred for coordination and guidance to the Public Relations or Human Resources department. This does not

specifically include your opinions, writing, and interviews on topics aside HIES and our current and potential products, employees, partners, customers, and competitors.

Email Usage at Company

Email is also to be used for Company business only. Company confidential information must not be shared outside of the Company, without authorization, at any time. You are also not to conduct personal business using the Company computer or email.

Please keep this in mind, also, as you consider forwarding non-business emails to associates, family or friends. Non-business related emails waste company time and attention.

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A Drug-free Workplace Policy

In a drug-free workplace, the employer has taken steps and initiated policies to ensure that employees, vendors, and customers are not:

- taking or using alcohol or drugs,
- selling drugs, or
- affected by the after effects of indulging in alcohol or drugs outside of the workplace during non-work time.

Additionally, the goal of a drug-free workplace program, as they have traditionally been developed, is to encourage an employee with a substance abuse problem to seek treatment, recover, and return to work.

OUTSIDE INQUIRIES FOR EMPLOYEE REFERENCES

No supervisor or employee is authorized to release references for current or former employees. The company's policy is to disclose only the dates of employment and the job title of the last position held. If you authorize disclosure in writing, the company will also provide a prospective employer or creditor with the information on the amount of salary or wage you last earned.

Requests for references must be made in writing and directed to the Office Administrator.

PHYSICAL EXAMINATIONS

Pre-employment or periodic physical examinations will not normally be required of employees except who handles hazardous materials.

Under the provisions of the Americans with Disabilities Act, medical exams for the purpose of determining the individual's state of health can be used to determine if the applicant or employee can perform job related functions consistent with business necessity. Existing employees also may be subject to medical examinations so long as the medical examination itself is job-related and consistent with business necessity.

Specific information regarding examinations will be made available as the need arises.

COMPLAINTS AND GRIEVANCES

All of our employees should feel they can work in an environment where communication with one's supervisor is open and honest at all times. It is our belief and policy that you may approach your supervisor at any time to discuss personal or job related problems. If an employee feels he or she has been unfairly treated or disciplined a request for a meeting should be made to the supervisor or manager. We desire that all such meetings be accomplished through the chain of command; however, the Company maintains an open-door policy and a meeting may be requested outside of the chain of command if an employee believes it to be absolutely necessary. A request should be made through the office for an appointment with your supervisor's superior.

SECTION III: BENEFITS

Paid Time Off

The purpose of paid time off (PTO) is to provide employees with flexible paid time off from work that can be used for such needs as vacation, personal or family illness, doctor appointments, school, volunteerism, and other activities of the employee's choice. It is HIES goal to reduce unscheduled absenteeism and the need for supervisory oversight.

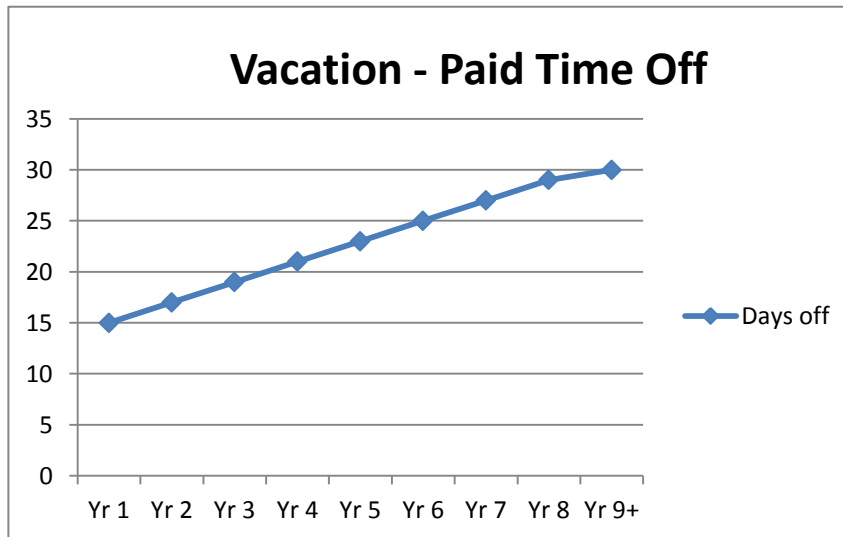
The PTO days you accrue, up to 15 days effective upon full time status may transfer to the following year if unused all excess above 15 days will be lost under our “use it or lose it” policy.

Full time employees (as defined in Section II-A, Employee Classifications). Full time employees shall start accumulating PTO starting after the 90 day probation period.

Full time employees (as defined in Section II-A, Employee Classifications) who have been continuously employed for at least 1 year, will be entitled to Paid Time Off. Full time employees that meet these qualifications shall start accumulating Paid time off for each fully worked bi-weekly pay period.

Years of Service

Year	Working hour per year	Number of Days off	Earned at a rate of approximately ____ hrs. for each fully worked bi-weekly pay period
1 st	120	15	5.2308
2 nd	136	17	5.8462
3 rd	152	19	6.4615
4 th	168	21	7.0769
5 th	184	23	7.3300
6 th	200	25	7.6923
7 th	216	27	8.3077
8 th	232	29	8.9231
9 th +	240	30	9.2308



Whenever possible, vacations will be given on a seniority basis and at the time requested, but HIES reserves the right to establish a vacation period, to limit the number of employees going on vacation at any one time, and to refuse dates if these dates conflict with the operations of the Company. The time for taking vacations shall be arranged between the employees and his or her supervisor. Requests for vacation time off must be made in writing and should be submitted to your supervisor for approval at least 30 working days in advance.

Paid Time Off will only be earned up to the maximum amount of 30 days in any given year. The carry over accrual of Paid Time Off shall not exceed 15 days. Any unused accumulated PTO in excess of the 15 PTO days at the end of the year will be lost.

Employees who terminate (either voluntarily or involuntarily) will lose any PTO time they have left.

All other employee shall not receive PTO benefits.

Guidelines for PTO Use

Each full time employee will accrue PTO bi-weekly in hourly increments based on their length of service as defined above. PTO is added to the employee's PTO bank when the bi-weekly paycheck is issued. PTO taken will be subtracted from the employee's accrued time bank in one hour increments. Temporary employees, contract employees, and interns are not eligible to accrue PTO.

Eligibility to accrue PTO is contingent on the employee either working or utilizing accrued PTO for the entire bi-weekly pay period. PTO is not earned in pay periods during which unpaid leave, short or long term disability leave or workers' compensation leave are taken.

Employees may use time from their PTO bank in half day increments. Time that is not covered by the PTO policy, and for which separate guidelines and policies exist, include company paid holidays, bereavement time off, required jury duty, and military service leave.

To take PTO requires two days of advance notice to the supervisor and Human Resources unless the PTO is used for legitimate, unexpected illness or emergencies. (Use the PTO / Vacation request form.) In most instances, other than legitimate unexpected illness or emergencies, PTO must be approved by the employee's supervisor in advance. HIES appreciates as much notice as possible when you know you expect to miss work for a scheduled absence.

Paid Time Off (PTO) Exceptions

- Employees who miss more than three consecutive unscheduled days, may be required to present a doctor's release to the Human Resources department that permits them to return to work.
- PTO taken in excess of the PTO accrued can result in progressive disciplinary action up to and including employment termination. This time will be taken by the employee as unpaid leave of absence. The only possible exception to this policy must be granted by the company president.
- PTO accrued prior to the start of a requested and approved unpaid leave of absence must be used to cover hours missed before the start of the unpaid leave. There are no advancements on PTO.
- Under the company's Family and Medical Leave Act (FMLA) policy, all accrued PTO time is taken before the start of the unpaid FMLA time.
- Unscheduled absences, due to illnesses of four hours or more, that result in consecutive days absent from work, are considered one absence incident in relationship to potential disciplinary action.

Progressive disciplinary action relative to incidents of absenteeism is administered on a rolling 12 month calendar as follows:

One - three incidents: No disciplinary action - Supervisory coaching
Fourth incident: Verbal warning with a documented coaching session
Fifth incident: Written warning in the employee's file
Sixth incident: Employment termination

An employee who receives a second written warning in a rolling 24 month time period will have his or her employment terminated.

- An employee who has used all of his or her FMLA and Short Term Disability benefits, and is still unable to return to work, will have his or her employment terminated.
- Any employee who misses two consecutive days of work without notice to their supervisor may be considered to have voluntarily quit their job.

Specific Eligibility for Paid Time Off (PTO)

PTO is earned on the following schedule based on a 40 hour work week. PTO is prorated based on the number of hours worked on an employee's regular schedule.

Paid Holidays

HIES observes the legal holidays listed below for **Full time employees**.

Employees who have completed **at least 90 days** of continuous service will be eligible to receive paid holidays on the following days:

Friday, January 1	New Year's Day
Monday, February 15*	Washington's Birthday
Monday, May 31	Memorial Day
Monday, July 5**	Independence Day
Monday, September 6	Labor Day
Monday, October 11	Columbus Day
Thursday, November 11	Veterans Day
Thursday, November 25	Thanksgiving Day
Friday, December 24***	Christmas Day

Dedicated Full time employees working at DoD or other agency facilities may receive days off other than the above dates from their assigned work locations, but may be required to work at the home office or other HIES locations during those times.

The following general provisions apply to paid holidays for Full time employees:

1. Holidays will be observed on the calendar day designated by HIES for observance.
2. To be eligible for paid holidays, employees must be available to work their last scheduled workday before the holiday and their first scheduled workday after the holiday.
3. Employees will not normally be scheduled to work on a holiday.
4. Holiday pay is equal to the hourly rate of pay for a period of eight (8) hours.
5. If a holiday falls during an employee's approved vacation period, the employee will not be charged for a vacation day on the day the holiday is observed.
6. Should a holiday fall on Saturday, an extra day off is on Friday. Should a holiday fall on Sunday, an extra day off is on Monday.
7. For only who are Part Time or Non-Exempt Employees (See Sec. II, A (4)): Employees on a leave of absence for any reason are not eligible for holiday pay on holidays that are observed during the period they are on leave.

LEAVES OF ABSENCE

HIES makes **unpaid leaves** of absence available to employees on the following basis and must fill out a Vacation / PTO request form stating one of the below under the leave of request codes:

Maternity and Family Care Leave –

Under the provisions of the Family and Medical Leave Act of 1993 HIES will provide for the unpaid leave of absence of up to **ninety (90) days** for employees taking leave for the birth, adoption, serious illness of a child, or foster care of a child. As an alternative, and with the approval of management, an employee can take up to **twelve (12) weeks** of leave intermittently (take a day periodically when needed) or use the leave to reduce the workweek or workday, resulting in a reduced hour schedule.

Pregnancy Disability Leave –

an unpaid leave of absence *for a disability related to an employee's pregnancy*, childbirth, or related medical condition.

Employees may submit a written request for a pregnancy leave of absence, *without pay*, for the length of any pregnancy-related disability, up to a maximum of **four months**. Requests for pregnancy leaves will be granted to employees who present a physician's written statement that certifies the need for the leave and estimates the length of time the employee will be unable to work due to the disability.

Employees on pregnancy leave who return to work immediately following the end of an approved leave with a physician's written release verifying that they are able to safely perform their duties will normally be returned to the same job they held immediately prior to their leave or, if that position has been eliminated, a comparable position if one is available.

Medical Leave –

An unpaid leave of absence of not more than **60 days** for an employee's non-occupational illness or disability, *other than pregnancy*, childbirth, or related medical condition.

Requests for medical leaves will normally be granted to eligible employees who present a physician's written statement that certifies the need for the leave and estimates the length of time the employee will be unable to work due to the disability. At any time during a medical leave of absence, an employee may be asked to provide medical evidence of disability.

Employees on medical leave who return to work immediately following the end of an approved leave with a physician's written release verifying that they are able to safely perform their duties will normally be returned to their former job classification if an opening exists or, if there is no such opening, they will be considered for a comparable position when one is available.

Jury Duty –

One paid leave of absence. From the second day, an unpaid leave of absence to serve on jury duty. It is your civic duty as a citizen to report for jury duty whenever called. If you are called for jury duty, we will permit you to take the necessary time off. Any jury service pay you receive is yours to keep.

You must notify your manager within **forty-eight (48) hours** of receipt of the jury summons.

On any day or half-day you are not required to serve, you will be expected to return to work if scheduled on that day.

Military Leave –

An unpaid leave of absence for required military service.

HIES complies with applicable state and federal law concerning leaves for military service, including National Guard and Reserve duties.

Employees who serve in U.S. military organizations may take the necessary time off without pay to fulfill this obligation, and will retain all of their legal rights for continued employment under existing laws. These employees may apply unused earned vacation time to the leave if they wish; however, they are not obliged to do so.

You are expected to notify your manager as soon as you are aware of the dates you will be on duty so that arrangements can be made for replacement during this absence.

Workers' Compensation Leave –

A leave of absence because of work-related illness or injury.

HIES complies with applicable state and federal law concerning leaves for work-related illness or injury. Employees on leave because of work-related illness or injury will be reviewed on an individual basis by HIES.

Bereavement Leave –

A paid leave of absence to attend the funeral of an immediate family member

Funeral Leave for an Immediate Family Member:

When a death occurs in an employee's immediate family, all regular full time employees may take up to three (3) days off with pay to attend the funeral or make funeral arrangements. The pay for time off will be prorated for a part-time employee if the funeral occurs on a scheduled work day. HIES requires verification of the need for the leave in order to be reimbursed for the time off.

Immediate Family Defined for Bereavement Leave:

Immediate family members are defined as an employee's spouse, parents, stepparents, siblings, children, stepchildren, grandparent, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild.

Non-family Member Funeral Leave:

All regular, full-time employees may take up to one (1) day off with pay to attend the funeral of a close, non-family member. This time off will be considered by the employee's supervisor on a case-by-case basis. The pay for time off will be prorated for a part-time employee if the funeral occurs on scheduled work days. The supervisor should confirm that the time is recorded accurately on the timecards. HIES requires verification of the need for the leave.

Additional Time Off:

HIES 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 an additional four unpaid 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 and the individual's responsibility for funeral arrangements.

Personal Leave of Absence –

All requests for personal (non-medical) leaves will be handled on a case by case basis, generally unpaid leaves are given, and will receive approval at the sole discretion of HIES. Such leaves of absence **may not exceed 10 days** in length without the expressed prior approval of the President. No personal leave for the purpose of locating or performing another job or for the starting of a new business will be granted.

The following general provisions apply to all leaves of absence:

1. A request for an extension of a leave of absence must be made in writing prior to the expiration date of the original leave, and when appropriate, must be accompanied by a physician's written statement that certifies the need for the extension.
1. Failure to return to work on the first workday following the expiration of an approved leave of absence may be considered a voluntary termination.
2. Coverage under HIES's group insurance plans will be continued on the following basis:

HIES will continue to contribute to premiums, as if the employee were actively at work, for the first thirty days of an approved leave of absence; employees will

be required to pay the entire premium for continued coverage during the portion of an approved leave of absence in excess of 30 days.

Employees must make arrangements with HIES to pre-pay their share of group insurance premiums before going on leave of absence.

3. Employees will not accrue length of continuous service for the portion of a leave of absence in excess of 30 days.
4. Employees on leave of absence will be subject to lay off on the same basis as employees who are actively at work.
5. Employees on leave of absence must communicate with HIES on a regular basis, at least once each week, regarding their status and anticipated return to work date.
6. Employees on leave of absence who seek or accept other employment without HIES's prior written approval may be subject to disciplinary action, up to and including possible termination.
7. Employees who falsify the reason for their leave of absence may be subject to disciplinary action, up to and including possible termination.
8. All leaves of absence must be approved in advance, in writing. Employees on pregnancy leave who return to work immediately following the end of an approved leave with a physician's written release verifying that they are able to safely perform their duties will normally be returned to the same job they held immediately prior to their leave or, if that position has been eliminated, a comparable position when one is available.

Process for the Attendance Policy

I have read and been informed about the content, requirements, and expectations of the attendance policy for hourly employees at HIES, Inc. I have received a copy of the policy and agree to abide by the policy guidelines as a condition of my employment and my continuing employment at HIES. I understand that if I have questions, at any time, regarding the attendance policy, I will consult with my immediate supervisor, my Human Resources staff members, the Plant Manager or the President of the company.

Please read the policy carefully to ensure that you understand the policy before signing this document.

Employee Signature: _____

Employee Printed Name: _____

Date: _____

GROUP INSURANCE PLANS

Full time employees will become eligible for enrollment in HIES's group medical insurance plans after 4 consecutive weeks of employment of at **least 20 hours each week**. We currently offer health, dental and vision insurance. The cost of the insurance will be decided as follows:

Employee Coverage for Health, Prescription Drug & Vision Insurance - HIES covers up to \$390 of medical insurance coverage per eligible employee. Coverage rates will may increase annually.

Family Coverage for Health, Prescription Drug & Vision Insurance - 50% paid by the employee. The cost is based on the age and number of qualified dependents determined by the issuing insurance company. Payment for this coverage will be by payroll deduction and must be approved in writing by the employee and HIES.

Domestic Partner Benefit Eligibility: Defining Domestic Partners and Dependents

HIES requires documentation of domestic partner eligibility. HIES relies on existing legal documentation such as domestic partner registrations.

HIES treats all beneficiaries equally when requesting documentation to determine eligibility.

HIES requires documentation for partner benefits, as well as documentation for spousal benefits.

HIES covers up to \$390 of the employee and up to 50% of members of the immediate family (spouse, life partner, children and other eligible dependents) Whereas, the definition of both "spouse" and "partner" are over the age of 18 and includes civil unions or registered domestic partnerships to fully participate in spousal benefits and whereas the dependent is through

marriage birth, adoption, or custody changes in which the employee of HIES has the main custodial duty and legal guardianship to that of the child. A marriage, adoption or custody change as a “qualifying family status change” will require supporting documentation. If a Qualified Medical Child Support Order is issued, A copy of the QMCSO (court document) will be required.

Documentation / Proof of Relationship

HIES requires proof of eligibility of family members

- Partnership affidavit (as defined by the employer/insurer)
- Municipal domestic partnership registration
- State domestic partnership registration
- State civil union license
- State marriage license
- Marriage licenses issued in other countries

Domestic Partner Affidavits

Affidavits commonly require some form of proof that the individuals are:

- 18 or older
- Not related to each other
- Live together
- Not currently in a domestic partnership, civil union or marriage with a different person
- Mutually responsible (fiscally and legally) for each other
- In an intimate, committed relationship of at least six months' duration*

*HIES includes a co-habitation requirement of six months.

Dependent Children and Other Eligible Dependents

The spouse or life partner's children are covered as eligible dependents up to the age of 21.

Qualifying Events

HIES recognizes the completion of an affidavit or the attainment of government recognition of a new spouse or life partner as a qualifying event suitable for enrollment in benefits outside of the

normal open enrollment period. Similarly, the dissolution of the relationship, including the termination of a domestic life partnership, civil union or marriage, should be considered a qualifying event.

Termination/Dissolution of Relationships

Benefit enrollment materials should include language indicating the employee's obligations should the domestic partnership end, the terms of which should mirror those of spouses in the event of a divorce. HIES requires employees to notify the company Human Resources department within 30 days of the dissolution of the relationship, at which point the domestic life partner, spouse and eligible dependents of the domestic partner may elect COBRA-equivalent benefits continuation coverage.

Detailed information about HIES's group insurance plans will be made available at the time you become eligible for enrollment.

COBRA –

On April 7, 1986, a Federal law was enacted [Public Law 99-272, Title X] requiring that most employers who has more than 10 employees (*check a current law), sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the group health plan (the "Plan") would otherwise end. On August 21, 1996, the Health Insurance Portability and Accountability Act of 1996 was signed into law expanding the continuation coverage available to certain individuals. Additional information on COBRA can be obtained through the business office.

WORKERS' COMPENSATION INSURANCE

The Hawaii Workers' Compensation Law is a no-fault insurance plan, which is supervised by the State, and one hundred percent (100%) paid for by HIES. This law was designed to provide you with benefits for any injury that you may suffer in connection with your employment. Under the provisions of the law, if you are injured while at work, you are eligible to apply for Workers' Compensation.

What Is Covered?

Any injury is covered if it's caused by your job—not just serious accidents, but even first-aid type injuries. Illnesses may also be covered, if they're related to your job. For example, common colds and flu are not covered, (but if you caught tuberculosis while working at a TB hospital,

that's covered). The main question is if the injury or illness is the result of the performance of your job.

How Do I Get the Benefits?

All injuries, no matter how slight, must be reported immediately to your manager to assure consideration under Workers' Compensation Insurance, should complications develop later. Your manager will see that you receive medical attention. You may be required to furnish your manager with written statements regarding the on-the-job accident so that we may accurately document the incident, and so you may receive all the benefits to which you are entitled. (Failure to do this could result in loss of benefits.)

Prompt reporting is the key - nothing can happen until your employer knows about the injury. Insure your right to benefits by reporting every injury, no matter how slight. Even a cut finger can be disabling if an infection develops.

Other Benefits and Information

If the injury is very serious - one where you won't be able to work for a year or more - you may be eligible for additional benefits from Social Security. For information contact the nearest office of the Social Security Administration, or discuss your situation with the claims representative of our Workers' Compensation Insurance carrier.

Employees returning to work after being absent due to an injury must report to their manager prior to beginning work, and must bring a doctor's clearance for returning to duty.

It is important that you report any work-related injury or illness to your supervisor as soon as it happens, regardless of how minor it may be. It is also important to get proper first aid and/or medical attention immediately.

HIES... may not be responsible for the payment of workers' compensation insurance benefits for any injury or illness that arises out of an employee's voluntary participation in an off-duty recreational, social, or athletic activity which is not part of the employee's work-related duties.

Workers' compensation fraud is illegal in the State of Hawaii. Any person who files or contributes to the filing of a fraudulent workers' compensation claim may be subject to imprisonment in the state prison, or by fines, or both. The following are examples of illegal activities:

- filing a claim for an injury or illness that does not exist;
- pretending that an injury happened at work when it really happened off the job;
- making a false statement to support another employee's claim for workers' compensation benefits.

SOCIAL SECURITY

All employees are covered under the provisions of the federal Social Security law. Social Security benefits are intended to supplement your family's retirement income and provide disability and survivor's benefits. The amount of deduction from your wages for Social Security taxes is matched by HIES. The total distribution by you and HIES is credited to your Social Security account. Detailed information about your Social Security benefits can be obtained from the Social Security Administration.

UNEMPLOYMENT INSURANCE

HIES pays unemployment insurance taxes on your behalf to both the state and federal governments. These taxes fund the payment of unemployment insurance benefits to you should you become eligible to receive them.

If you become unemployed, you may be eligible for unemployment compensation, under certain conditions, for a limited period of time. Unemployment compensation provides temporary income for workers who have lost their jobs. To be eligible you must have earned a certain amount and are willing and able to work. You should apply for benefits through your local State Unemployment Office as soon as possible.

HAWAII STATE DISABILITY INSURANCE

HIES pays disability insurance taxes on your behalf to the state government. These taxes fund the payment of disability insurance benefits to you should you become eligible to receive them.

ANNUAL CHRISTMAS PARTY

The Company sponsors an annual Christmas party for its employees. Employees may bring one guest (spouse or significant other). Dress is casual. Food and non-alcoholic beverages are supplied by the company. Details will be provided at the appropriate time.

401K BENEFIT PACKAGE

HIES is proud to have a contributionary 401k program for our employees. Every employee at the time of hiring may roll their old 401k into our program. HIES offers employees that have been with the company six months a 3% annual contribution.

EDUCATION AND DEVELOPMENT

HIES has an aggressive Employee development plan that is put into place for each and every employee and is part of the review process. We are proud to help you develop your goals that meet the company needs. HIES offers.

- Tuition reimbursement or payment for seminars and classes: College reimbursement will be paid for after one year of service, upon completion of the class with a “B” grade or higher, upon written explanation of the course and how it applies to HIES line of business (this is the sole discretion of the primaries/CEO of HIES to determine if the class is of value within HIES’s goals and will be reimbursed)
- Career planning and development: This is offered in our employee development plans
- Professional association meeting, conference or seminar expense: HIES will gladly reimburse you for your time for expanding upon areas of expertise and gaining knowledge in areas that will help HIES achieve its goals. Please submit a letter of opportunity and have a primary/CEO member evaluate the class, meeting, conference or seminar you would like to attend. Upon approval HIES will reimburse you as soon as it is completed.

Clothes reimbursement:

Some of the employees at HIES have a job description that requires them to wear particular clothing such as steel toed boots to access sites. These articles of clothing that are specific for your particular position can be reimbursed. Please request in writing your need to your supervisor or CEO your need for the expense. Upon approval you will be reimbursed up to \$200 in a calendar year for clothing that directly impacts your line of work.

SECTION IV: COMPENSATION

PAYDAY

Pay periods are bi-weekly, beginning on Saturday and ending on the second following Friday. Paychecks will be available prior to 5:00 PM on Wednesday following the end of the pay period. **Important Note:** Paychecks will be given to the employee only. If the employee is unable to pick up his/her paycheck, a written release naming an authorized individual to pick up the check must be provided to the Office. Positive identification will be required and the check must be signed for by the receiving individual.

The company does not advance pay, make loans to employees or cash payroll or personal checks.

Periodic bonus or incentive payments may be available at the sole discretion of the Company and when offered will be based upon performance and Company profits.

WAGE AND SALARY REVIEWS

HIES does not guarantee wage increases at any time.

Employees are generally reviewed **semi-annually**. Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. A wage or salary review does not imply an automatic pay increase, only that you are eligible for consideration based on job performance.

Any wage or salary increases will appear in the pay period ending after the dates they are granted. Wage and salary increases may be retroactive in the case of late reviews, at the discretion of the Owners.

Each year senior management reviews the Company performance of the previous year and determines if an across the board merit increase is possible. If it is possible, a percentage increase for labor costs is determined and authorized. Individual employee merit increases are then based on performance evaluations conducted during the prior year.

PAYROLL DEDUCTIONS

You are probably familiar with the various payroll deductions that are required by law, such as federal and state income and social security taxes. You must authorize any other deductions from your paycheck, in writing (Form W-4 and HW-4). HIES complies with applicable state and federal laws regarding the garnishment and assignment of wages.

Each one of your paycheck stubs will itemize amounts that have been withheld. It is important that you keep this information for tax purposes. If you have any questions about your deductions, please talk to your supervisor.

OVERTIME for Part Time Employees

From time to time, you may be asked to work beyond your normally scheduled hours (in excess of **nineteen [19] hours** in a workweek). You will be expected to work reasonable amounts of overtime, according to the needs of HIES. When you are asked to work overtime, you will receive premium pay, if applicable, in accordance with state and federal law at the rate of 1 and ½ times the regular rate for time worked in excess of 20 hours in a week.

However, you *may not* work overtime unless it has been approved in advance by management. Employees who work overtime that has not been authorized in advance by their supervisor may be subject to disciplinary action, up to and including possible termination.

Some employees may be exempt from the overtime provisions of state and federal law.

SECTION V: TRAINING AND DEVELOPMENT

PERFORMANCE EVALUATIONS

Your supervisor is continuously evaluating your job performance. Day-to-day interaction between you and your supervisor should give you a sense of how your supervisor perceives your performance.

However, to avoid haphazard or incomplete evaluations, HIES conducts a formal **review two times a year** for each employee.

Employees will generally receive a written performance evaluation after **approximately ninety days** of service, and **semi-annually** thereafter. A review may also be conducted in the event of a promotion or change in duties and responsibilities. One purpose of the performance evaluation is to let you know how well you are doing. Written performance evaluations may include commendation for good work, as well as specific recommendations for improvement.

During formal performance reviews, your supervisor will consider the following things, among others:

- * Attendance, initiative and effort
- * Knowledge of your work
- * Attitude and willingness
- * The quality and quantity of your work
- * The conditions under which you work

The primary reason for performance reviews is to identify your strengths and weaknesses in order to reinforce your good habits and develop ways to improve in your weaker areas. This review also serves to make you aware of and to document how your job performance compares to the goals and description of your job. This is a good time to discuss your interests and future goals. Your manager is interested in helping you to progress and grow in order to achieve personal as well as work-related goals—perhaps he or she can recommend further training or additional opportunities for you.

In addition to individual job performance reviews, HIES periodically conducts a review of job descriptions to insure that we are fully aware of any changes in the duties and responsibilities of each position, and that such changes are recognized and adequately compensated.

You will have the opportunity to discuss your performance evaluation with your supervisor. This is a good time to ask questions and clarify important points. Performance evaluations help HIES make important decisions about job placement, training and development, and pay increases. A satisfactory performance evaluation does not guarantee a salary increase nor does it alter, modify, or amend the at will employment relationship between you and HIES

Performance Management: Performance Improvement Plan

For those of you who feel that the staff person who needs a formal Performance Improvement Plan (PIP) will never succeed in your organization, here is a success story. The newly promoted plant manager of a 150 person organization was failing miserably in the key deliverables his boss expected. A formal PIP was developed that cited eleven goals and their measures of success. A ninety day time frame was provided as these goals were challenging and not short term. The manager was given a strong, supportive environment in which his supervisor's expectations for his success were a key factor. And guess what? He succeeded beyond our wildest dreams. All he had needed was serious direction about what he needed to do to succeed. So, I am a believer in the power of a well-planned, measurable PIP that is reinforced by positive and expressed supervisory support and encouragement.

POSITION GUIDES, JOB DESCRIPTIONS, AND TASK LISTS

The company has a job description for each functional position. Employees are generally given a Position Guide or Task Guide (job description) before they start to work. A job description summarizes your duties and responsibilities and gives you important information about your new job. Please read and study your job description carefully and discuss it with your supervisor if you have any questions. HIES reserves the right to revise and update your job description from time to time, as it deems necessary and appropriate.

SEMINARS, TRAINING AND CONTINUOUS EDUCATION

HIES will pay the costs of classes, travel, related expenses and wages of employees who attend training seminars or other seminars and meetings **at the Company's request**.

HIES may arrange training programs which enable you to progress in your technical knowledge of our business. Since this training is usually offered only at specified times within a geographical area, please be sure to notify your supervisor as far in advance as possible. This way, she/he can attempt to schedule workloads to accommodate your (and/or other employees') desire to attend the training.

However you are obligate to work for HIES at **least one year** from the date of the training. Otherwise you have a responsibility to pay full amount of the training fee back and training day (Personal Paid Time Off) when you leave from HIES.

SECTION VI: GENERAL INFORMATION AND POLICIES

WORK SCHEDULES AND TIME CLOCKS

You are expected to work **at least** regular eight (8) hours a day unless requested otherwise. Our normal business hours will be from 8:00 a.m. to 5:00 p.m., with a 1 hour lunch break unless other arrangements have been made in advance. It is expected that all to be at the work station immediately at the conclusion of the lunch period. Due to the nature of consulting businesses, a set time frame for a regular work day may not be as listed above, but may require work in different hours, days, and location depending on our commitment to our clients.

IDENTIFICATION OF UNCOMPENSATED OVERTIME (OCT 1997)

1. *Definitions.* As used in this provision—
2. “Uncompensated overtime” means the hours worked without additional compensation in excess of an average of 40 hours per week by direct charge employees who are exempt from the Fair Labor Standards Act. Compensated personal absences such as holidays, vacations, and sick leave shall be included in the normal work week for purposes of computing uncompensated overtime hours.
“Uncompensated overtime rate” is the rate that results from multiplying the hourly rate for a 40-hour work week by 40, and then dividing by the proposed hours per week. For example, 45 hours proposed on a 40-hour work week basis at \$20 per hour would be converted to an uncompensated overtime rate of \$17.78 per hour ($\$20.00 \times 40 \text{ divided by } 45 = \17.78).
3. For any proposed hours against which an uncompensated overtime rate is applied, the offeror shall identify in its proposal the hours in excess of an average of 40 hours per week, by labor category at the same level of detail as compensated hours, and the uncompensated overtime rate per hour, whether at the prime or subcontract level. This includes uncompensated overtime hours that are in indirect cost pools for personnel whose regular hours are normally charged direct.

4. The offeror's accounting practices used to estimate uncompensated overtime must be consistent with its cost accounting practices used to accumulate and report uncompensated overtime hours.
5. Proposals that include unrealistically low labor rates, or that do not otherwise demonstrate cost realism, will be considered in a risk assessment and will be evaluated for award in accordance with that assessment.
6. The offeror shall include a copy of its policy addressing uncompensated overtime with its proposal.

The following rules apply to the use of the Time Sheet (**see attached form**):

- You may not record the time, project number and your tasks for any other employee
- You may not allow another employee to record your time project number and your tasks.
- Time Sheet must be neat and readable.
- **A week of Time Sheet starts Saturday and ends on Friday.**
- **You are required to submit Time Sheet at the end of every Friday to your supervisor.**
- Record time to the nearest quarter of an hour (ie 15minute intervals).
- Time Sheet will be reviewed and approved by your supervisor
- Your supervisor then submit it to Administrator

WORK RULES AND PERFORMANCE STANDARDS

Employment is with the mutual consent of you and HIES. Consequently, both you and HIES have the right to terminate the employment relationship at any time, with or without cause or advance notice.

It is not possible to provide a complete list of every work rule or performance standard. As a result, the following are presented only as examples. You are responsible for understanding and following these standards and work rules. Employees who do not comply may be subject to disciplinary action, up to and including possible termination.

(1) Job Performance - employees may be disciplined, up to and including possible termination, for poor job performance, as determined by HIES. Some examples of poor job performance are as follows:

- below average work quality or quantity; customer complaints
- offensive behavior, poor attitude, including rudeness, or lack of cooperation;

- excessive absenteeism, tardiness, or abuse of property;
- failure to follow instructions or company policies and procedures, including the provisions of this Employee Handbook;
- conducting personal business on company time

(2) Misconduct - employees may also be disciplined, up to and including possible termination, for misconduct. Some examples of misconduct are as follows:

- insubordination;
- abuse, misuse, theft, or the unauthorized use, possession or removal of company property or the personal property of others, including company owned vehicles;
- falsifying or making a material omission on company records, reports, or other documents, including payroll, personnel, and employment records;
- divulging confidential company information to unauthorized persons;
- disorderly conduct on company property, including fighting or attempted bodily injury, or the use of profane, abusive, or threatening language toward others, or possession of a weapon;
- violation of any law adversely affecting HIES, or conviction in court of any crime which may cause the employee to be regarded as unsuitable for continued employment, including traffic violations and/or unsafe driving in company owned vehicles
- violation of HIES's harassment, smoking, alcohol, drugs, and controlled substances policies.

(3) Discipline Policy:

The Discipline Policy applies to all regular employees who have completed the introductory period.

This policy pertains to matters of conduct as well as the employee's competence. However, an employee who does not display satisfactory performance and accomplishment on the job may be dismissed, in certain cases, without resorting to the steps set forth in this policy.

Under normal circumstances, managers are expected to follow the three-step procedure outlined below. *There may be particular situations, however, in which the seriousness of*

the offense justifies the omission of one or more of the steps in the procedure. Likewise, there may be times when the company may decide to repeat a disciplinary step.

To insure that Company business is conducted properly and efficiently, you must conform to certain standards of attendance, conduct, work performance and other work rules and regulations.

When a problem in these areas does arise, your manager will coach and counsel you in mutually developing an effective solution. If, however, you fail to respond to coaching or counseling, or an incident occurs requiring formal discipline, the following procedures occur.

Step One: Oral Reminder

Your manager will meet with you to discuss the problem, making sure that you understand the nature of the violation and the expected remedy. The purpose of this conversation is to remind you of exactly what the rule or performance expectation is and also remind you that it is your responsibility to meet that expectation.

You will be informed that the Oral Reminder is the first step of the discipline procedure. Your manager will fully document the Oral Reminder. Documentation of the incident will remain in the department file and will not be placed in your permanent record, unless another disciplinary transaction occurs.

Step Two: Written Reminder

If your performance does not improve, or if you are again in violation of Company practices, rules or standards of conduct, your manager, after reviewing the situation with their manager, will discuss the problem with you, emphasizing the seriousness of the problem and the need for you to immediately remedy the problem.

Following the conversation, your manager will write a memo to you summarizing the discussion. The original memo will go to you and a copy will be routed to the Human Resources department. The Human Resources copy of the memo will be placed in your file.

Step Three: Decision-Making Leave

If your performance does not improve following a Written Reminder, or if you are again in violation of Company practices, rules or standards of conduct, you will be placed on Decision Making Leave. The Decision Making Leave is the final step of HIES's disciplinary system.

Decision Making Leave is an unpaid, one-day disciplinary suspension. Employees on Decision Making Leave will spend the following day away from work deciding whether to correct the immediate problem and conform to all of the company's practices, rules and standards of conduct, or to quit and terminate their employment.

If your decision following the Decision Making Leave is to return to work and abide by our practices, rules and standards of conduct, your manager will write a letter to you explaining your commitment and the consequences of failing to meet this commitment. You will be required to sign the letter to acknowledge receipt. A copy of the letter will be routed to senior managers in your chain of command. A copy will be placed in your personnel file.

You will be allowed to return to work with the understanding that if a positive change in behavior does not occur, or if another disciplinary problem occurs, you will be terminated.

If you are unwilling to make such a commitment, you may be terminated.

Sequence of Steps

In most cases, if an informal coaching (i.e., non-disciplinary) discussion does not solve a problem, the manager moves to the Oral Reminder step and continues through the steps until either the problem is solved or the individual is terminated.

However, if a significant period of time has passed following an Oral or Written Reminder, or if the employee commits an entirely unrelated offense during the active period of an Oral or Written Reminder, it may be appropriate to give the person a second Oral or Written Reminder rather than automatically moving to the next more serious step. The criterion is the manager's judgment about what action will be most likely to bring about a permanent performance correction.

Likewise, there are times when it is appropriate to start the disciplinary procedure at the Written Reminder or the Decision Making Leave level, without previous disciplinary action having been taken. This would be the case when an employee commits an offense that is very serious but does not quite justify termination.

Crisis Suspension

If you commit any of the actions listed below, or any other action not specified but similarly serious, you may be immediately suspended without pay pending the investigation of the situation. Following the investigation you may be terminated without any previous disciplinary action having been taken.

1. Theft
2. Falsification of Company records
3. Failure to follow safety practices

4. Conflict of interest
5. Threat of, or the act of doing bodily harm
6. Willful or negligent destruction of property
7. Use and/or possession of unauthorized weapons, intoxicants, drugs or narcotics
8. Neglect of duty
9. Refusal to perform assigned work or to follow a direct order

SEXUAL HARASSMENT

HIES is committed to providing a work environment that is free of discrimination. In keeping with this commitment, HIES maintains a strict policy prohibiting unlawful harassment, including sexual harassment. It is important for you to understand that jokes, stories, cartoons, nicknames, and comments about appearance may be offensive to others.

Sexual harassment of employees by supervisors, co-workers, or vendors is prohibited. Unlawful sexual harassment includes but is not limited to, the following behavior:

- * Verbal conduct such as swearing, derogatory jokes or comments, slurs, or unwanted sexual advances, invitations, or comments; Visual conduct, such as derogatory and/or sexually oriented posters, photography, cartoons, drawings, or gestures;
- * Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race, or any other protected basis;
- * Threats and demands to submit to sexual requests as a condition of continued employment, or to avoid some other loss. Offers of employment benefits in return for sexual favors; and
- * Retaliation for having reported or threatened to report unwelcome sexual advances, requests for sexual favors, and other verbal, visual, or physical conduct of a sexual nature when:
- * Submission to the conduct is made a condition of employment;
- * Submission to or rejection of the conduct is used as the basis for an employment decision affecting the harassed employee; or
- * The harassment has the purpose or effect of unreasonably interfering with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

If you believe that you are being, or have been, harassed in any way, please report the facts of the incident or incidents to Human Resources or the Ownership, if the incident involves HR, immediately and within 5 days of the occurrence, without fear of reprisal. In determining whether the alleged conduct constitutes unlawful harassment, the totality of the circumstances, such as the nature of the conduct and the context in which the alleged incident occurred, will be investigated.

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

Your signature on the acknowledgment form for this employee handbook signifies your understanding and agreement to this policy.

ALCOHOL, DRUGS, AND CONTROLLED SUBSTANCES

NOTE: In this policy, the term "substance abuse" will be used to mean the use or abuse of, or dependency on, illegal drugs, alcohol, or drugs that can be prescribed legally but are used in a manner inconsistent with the prescription. Employees are responsible for making their own lifestyle choices. However, the company sees no reason to accept even small risks that on-the-job or off-the-job drug use by employees might cause. For example, drug use could contribute to accidents or other job performance problems.

HIES has a responsibility to provide a safe and productive work environment for all its employees. HIES has a particular concern about drug and alcohol abuse, since this can have a serious effect on an employee's productivity and job performance and may jeopardize the safety of the employee and his or her co-workers

It is our Company's policy to maintain a work place that is free from the effects of drugs, narcotics, and alcohol abuse. The Company requires all employees to perform their duties free from the effects of any substance abuse. The use, sale, transfer, possession, or being "under the influence" of alcohol, drugs, or controlled substances when on duty, on company property, or in company vehicles is prohibited. In addition, off duty conduct that may adversely affect the reputation or interests of HIES is prohibited. "Under the influence" for the purpose of this policy, is defined as being unable to perform work in a safe or productive manner, and/or being in a physical or mental condition which creates a risk to the safety and well being of the affected employee, other co-workers, the public, or company or customer property.

Any exception to this policy for special occasions, such as holiday parties, must be approved in advance, and conduct must be in accordance with the limitations which accompany the approval.

HIES is willing to assist employees who acknowledge that they have a substance abuse problem by providing education, training, counseling, and referral for medical assistance where appropriate. Continued employment, however, will be based on the employee's performance and is not guaranteed by participation in a treatment or rehabilitation program.

Despite HIES's willingness to assist employees in overcoming drug or alcohol addictions, certain drug related activities on HIES's property, or while on company business, constitute misconduct, subject to discipline up to and including discharge:

- a. Trafficking in, using, possessing, or manufacturing illegal drugs or chemicals.
- b. Trafficking in mood altering prescription drugs.
- c. Use of a prescription drug by a person to whom a prescription has not been issued

The company reserves the right to require periodic drug testing, on a random basis, of all employees.

HIES expects its employees to report to work fit for duty with no illegal drugs in their bodies. Employees will at all times be held accountable for their performance or conduct at work. They will be counseled and disciplined accordingly, regardless of their acknowledgement of the existence of a substance abuse problem or of current use of drugs or alcohol. Violation of this policy can result in sanctions against the employee up to and including termination of employment. The Company may also require testing for evidence of substance abuse for any employee whose condition raises reasonable suspicion that they may be using or under the influence of illegal drugs or alcohol.

Some examples of cause for testing are:

1. The employee exhibits inappropriate or unusual behavior or poor or erratic job performance.
2. In the event of a work related accident or serious incident where the cause is unknown and the supervisor has the reason to question the physical or emotional condition of involved employees.
3. Monitoring employees who have been in substance abuse treatment and have returned to work.

Any employee who becomes involved in any incident affecting person or property while on duty, or on HIES's property or in a HIES vehicle, will be required to take a drug test. If the employee refuses to go to the medical clinic for any reason, the employee will be informed that continued refusal to go to the medical clinic will result in disciplinary action for insubordination. If the results are positive that employee will be responsible for all medical bills and any property damage that may have occurred. Worker's Compensation will be denied and that employee will be immediately discharged.

Your signature on the acknowledgment form for this employee handbook signifies your understanding and agreement to this policy.

UNIFORMS, TOOLS and COMPANY VEHICLES

DRESS CODE –

HIES dress code is business casual. Casual appearance is acceptable. Employees should dress according to the job they perform. Office employees may wear appropriate casual attire for day to day work. Field employees must dress for safety. Steel toed shoes or work boots and hard hat are required.

Slacks, Pants, and Suit Pants

Slacks that are similar to Dockers and other makers of cotton or synthetic material pants, wool pants, flannel pants, and nice looking dress synthetic pants are acceptable. Inappropriate slacks or pants include jeans, sweatpants, exercise pants, Bermuda shorts, short shorts, shorts, bib overalls, leggings, and any spandex or other form-fitting pants such as people wear for biking.

Skirts, Dresses, and Skirted Suits

Casual dresses and skirts, and skirts that are split at or below the knee are acceptable. Dress and skirt length should be at a length at which you can sit comfortably in public. Short, Mini-skirts, skorts, sun dresses, beach dresses, and spaghetti-strap dresses are inappropriate for the office.

Shirts, Tops, Blouses, and Jackets

Casual shirts, dress shirts, sweaters, tops, golf-type shirts, and turtlenecks are acceptable attire for work. Most suit jackets or sport jackets are also acceptable attire for the office, if they violate none of the listed guidelines. Inappropriate attire for work includes tank tops; midriff tops; shirts with potentially offensive words, terms, logos, pictures, cartoons, or slogans; halter-tops; tops with bare shoulders; sweatshirts, and t-shirts unless worn under another blouse, shirt, jacket, or dress.

Shoes and Footwear

Conservative athletic or walking shoes, loafers, clogs, sneakers, boots, flats, dress heels, and leather deck-type shoes are acceptable for work. Wearing no stockings is acceptable in warm weather. Flashy athletic shoes, thongs, flip-flops, slippers, and any shoe with an open toe are not acceptable in the office. Closed toe and closed heel shoes are required in the manufacturing operation area.

Jewelry, Makeup, Perfume, and Cologne

Should be in good taste, with limited visible body piercing. Remember, that some employees are allergic to the chemicals in perfumes and make-up, so wear these substances with restraint.

Hats and Head Covering

Hats are not appropriate in the office. Head Covers that are required for religious purposes or to honor cultural tradition are allowed.

Conclusion

If clothing fails to meet these standards, as determined by the employee's supervisor and Human Resources staff, the employee will be asked not to wear the inappropriate item to work again. If the problem persists, the employee may be sent home to change clothes and will receive a verbal warning for the first offense. All other policies about personal time use will apply. Progressive disciplinary action will be applied if dress code violations continue. **All employees visiting client sites such as the DoD, State, or Federal Agencies for reasons of business including but not limited to marketing, client contact, and client support shall dress according to the expectations of the environment at all times.**

EQUIPMENT, and SUPPLIES –

Such as tools, etc., that are company property must be taken care of. In the event of termination, all company equipment assigned to you must be returned in good condition, or you will be charged for it. These tools and supplies must be signed out/in and you are required to report repairs that may be necessary.

Consumable supplies, such as tape will be provided to employees as required. When the issued supply is exhausted the empty roll or container must be given to your supervisor. You will then be given a new supply.

Note: An employee is provided tools and other supplies and materials to perform his/her job from time to time by the company. Employees may be required to pay for tools, and other company property, that have been damaged or lost due to misuse or negligence. No employee is authorized to use any company vehicle or other property or equipment for personal (non-business) purposes without management approval. Unauthorized possession or removal of company property is a very serious offense. Any violation of this policy will result in immediate discipline.

KEYS - Employees having possession of company keys of any type are responsible for their safe keeping. Lost, theft or misuse of any of these must be reported immediately. No duplication is allowed for any reason.

VEHICLES:

You should to use a Company vehicle if you have a project and/or Company business.

If you are authorized to use a Company vehicle for company business, you must adhere to the following rules:

- All company vehicles shall be used exclusively for business purposes. Any employee using a company vehicle for personal use will be liable for any and all damages and expenses that may be incurred due to negligence or violation of laws, and may be subject to disciplinary action up to and including termination. Employee possession of a company vehicle does not constitute permission for non-business use.
- You must be a licensed driver for the class of vehicle you operate. You must be insurable under the company's insurance policy.
- You are responsible for paying any moving violation tickets. Also, please park appropriately -- HIES will not pay parking violations. You will be considered completely responsible for any accidents, fines or traffic violations incurred.
- Seat belts must be worn in company vehicles. Smoking is not permitted in Company vehicles
- You must not allow persons not authorized or employed by HIES to operate or ride in a company vehicle.
- **You are responsible to write date, project number, and mileage on the Mileage Track form in the vehicle and submit it to Administrator daily.**
- Prior to operation of any company vehicle, your manager will train you on the appropriate steps to take if you are involved in an accident -- filling out the accident report, getting names of witnesses, etc.

PRODUCTION MATERIALS (INCLUDING SCRAP) –

May not be removed from any building, vehicle or other company location without the specific approval of management. A method for employee purchase of materials is described later in this manual.

USE OF PERSONAL VEHICLES FOR COMPANY BUSINESS

Due to the nature of consulting, the company vehicle may not be available for use or it may be more cost effective for an employee to use their personal vehicles to get to job sites. To use a personal vehicle for business purposes, the following rules apply:

- Must be for valid business purposes. Expenses related to personal use of vehicle will not be reimbursed. To be reimbursed, you are responsible for logging start and stopping mileage, dates, and project/labor category on the Mileage Report. HIES reserves the right to reconcile mileage claimed to maps and disallow excessive charges.

Reimbursements for mileage must be charged to appropriate categories/jobs and submitted to department supervisors for approval.

- Must have current registration, safety check, and insurance.
- You must be a licensed driver for the class of vehicle you operate.
- You are responsible for paying any moving violation tickets. Also, please park appropriately -- HIES will not pay parking violations. You will be considered completely responsible for any accidents, fines or traffic violations incurred.

BUSINESS EXPENSE REPORTING

Employees will be reimbursed for all *approved* business-related expenses, including vehicle fuel used for business purposes, upon submission to HIES of related receipts. Employees are requested to submit these reports **within five (5) days or before closing the specific project** to ensure proper accounting and prompt reimbursement.

Employees using their personal vehicle for business purposes must ensure that accurate mileage records are maintained and submitted to management to receive proper reimbursement. (See Mileage form).

SAFETY

It is HIES's intent to provide a safe and healthy workplace for all employees, and to eliminate work-related injuries and illnesses. **The priority of workplace safety and health is of such importance that it will take priority over operating efficiency and productivity whenever necessary.**

Employees are responsible for their own safety as well as others in the workplace. To achieve our goal of maintaining a safe workplace, we must all be safety conscious at all times.

If you see a safety hazard, such as an obstacle on the floor, it is often simple for you to fix it yourself. In some cases, you cannot fix it yourself, and the hazard should be reported to management.

Safety meetings **will be held a minimum of once per month.** Attendance is mandatory.

Other safety rules are as follows:

- * Pay attention to your work. Inattention causes accidents.
- * Pay attention to warning signs and signals that point out hazardous conditions.

- * Don't lift heavy objects by yourself. Get help or use a dolly. Stand close to the object when lifting it and don't twist. Lift with your legs--not your back.
- * Store equipment and supplies properly. Falling or moving objects cause accidents.
- * Watch for slippery surfaces and uneven walkways. Mop up a spill or report it to management.
- * Be familiar with the location and operation of fire extinguishers and first aid kits.
- * Eye protection and protective masks must be worn. Long hair must be tied up or otherwise secured.

Supervisors will ensure the proper training in the use of power assisted tools.

- * Report all injuries immediately, regardless of how minor.

Disregard of city, state or federal or company safety standards will not be tolerated. Failure to comply with safety rules will subject the offender to disciplinary action up to and including possible termination.

OFF-DUTY MISCONDUCT AND "MOONLIGHTING"

Off Duty Misconduct: The Company will not normally interfere with the off-duty activities and personal conduct of its employees. However, certain types of conduct may reflect badly on the company and interfere with its legitimate best interests.

For instance, certain illegal or immoral activity of an employee will have an adverse effect upon the company or its customers. Certain off-duty conduct may affect the reputation of HIES. (For example: Parking a company vehicle at a bar, lounge or adult entertainment business)

Therefore, the Company reserves the right to determine if any employee conduct adversely affects it or its reputation.

Moonlighting: Again, the Company will not normally interfere with the off-duty activities and personal conduct of its employees. However, our employees are expected to devote their primary energies to working for HIES. The Company will become involved if any of the following occur:

- The second job or self-employment interferes with an employee's work schedule;
- The second job or self-employment impairs or has a detrimental effect on the employee's work performance;

- The second job or self-employment requires the employee to conduct work-related activities on our property or during work time or use our facilities and equipment;
- No employee is permitted to work a second job with any company that is a competitor, supplier or customer of HIES.
- No employee may conduct “self-employment” activities in any area in which HIES. performs sales, service or other work

BULLETIN BOARDS

Bulletins and bulletin board(s) are our "official" way of keeping everyone informed about new policies, changes in procedures and special events. Information of general interest is posted regularly on the bulletin board(s). Please form the habit of reading the bulletin board(s) regularly so that you will be familiar with the information posted on it.

Only authorized personnel are permitted to post, remove or alter any notice on the bulletin board(s). If you want to have notices posted on Company bulletin board(s), see your manager for instructions.

CONFLICT OF INTEREST

Conflict of interest, or the potential for conflict, can take many forms and should be avoided by all employees. Examples are as follows:

- Supervisor-subordinate romantic or personal relationships. These can also lead to management and morale problems and possible claims of sexual harassment.
- Outside business, personal interest or activities, and outside work for hire that detracts from job performance or good judgment on behalf of the company. Additionally, employees personal relationships should in no way compete with or compromise, the company's interests.
- Accepting gifts, favors or the like from suppliers or customers in exchange for favorable treatment or discounted or free services. (Thank you type gifts from customers for good service is acceptable.)

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to the supervisor, who shall discuss it with management. Management will approve or disapprove the arrangement and the employee will be notified.

CONFIDENTIALITY

We sincerely hope that our relationship will be long-term and mutually rewarding. However, your employment with HIES assumes an obligation to maintain confidentiality, even after you leave our employ. Each employee is responsible for safeguarding confidential information obtained in connection with his or her employment. Employees are not to release confidential information about the company, its management, employees, work, or customers without prior authorization. No one is permitted to remove or make copies of any Company records, reports or documents without approval of the Ownership. Disclosure of confidential information could lead to termination, as well as other possible legal action.

We believe that individual pay rates and raises are confidential matters between each employee and his or her supervisor. The amount of your pay is your business only and should not be discussed with others.

Do not divulge internal information to anyone outside of your supervisor, including other employees.

During the course of your employment confidential information may be made available to you, for instance, marketing strategies, customer lists, pricing policies and other related information. You understand that this information is proprietary and critical to the success of HIES and must not be given out or used outside of Company premises or with non-HIES employees. In the event of termination of employment, whether voluntary or involuntary, you hereby agree not to utilize or exploit this information with any other individual or company. You further agree that you will not use any confidential Company information obtained in a competitive manner either as self-employed or as an employee of any other company.

Should your spouse work for, or accept employment with, a competitor firm, all confidentiality regulations for personnel are fully applicable and enforceable. Should confidential information be leaked to a competing firm, even by accident, disciplinary action up to and including termination may be taken

Your signature on the acknowledgment form for this employee handbook signifies your understanding and agreement to this policy.

HOUSEKEEPING

Every employee is responsible for keeping his/her own work area as neat, clean, and organized as possible. Common area clean up is assigned to specific employees. Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times -- it is a required safety precaution. Use of trash dumpsters for personal trash dumping is prohibited. Cigarette butts, smokeless tobacco residue, food waste, shells, etc. must be disposed properly.

SELLING AND DISTRIBUTING OF NON-COMPANY GOODS AND SERVICES

The sale, distribution or circulation of raffle tickets, petitions, surveys, non-company literature or merchandise on company premises is not permitted during working hours without prior management approval. This includes, but is not limited to political or religious literature. The occasional sale of non-profit organizational fund raising products (Girl Scout cookies, school fund-raising candies and the like) are acceptable at the discretion of management.

WORKPLACE SECURITY AND MONITORING

Security and monitoring cameras may be utilized to ensure the protection of company and customer assets. HIES retains the right to inspect all packages and parcels of any type before entering and leaving our premises. Computers are for business purposes and any e-mail or other correspondence received or generated on company time on company equipment is considered to be the property of HIES. Company owned computer or other electronic media usage must not be abused and may be monitored.

SMOKING

We have established all inside company facilities as non-smoking. All employees are expected to abide by this policy while at work in company buildings. Smoking is strictly prohibited inside the office. The designated smoking area is outside the office. Cigarette butts should be disposed of in the proper receptacles. Smoking is prohibited in any HIES owned vehicle. Smoking is done on your lunch period and at breaks– not on Company time.

TELEPHONES

Personal telephone calls are disruptive and are discouraged during working time. Any personal calls should be both necessary and short. Remember that our phones are used to conduct business and we should not tie up the lines unnecessarily. Local calls may be made from company phones during breaks and lunch periods so long as an open phone line remains available for business use. Emergency calls may be placed or received as necessary. Messages will be taken for non-emergency in-coming calls. Personal long distance phones are prohibited.

EMPLOYEE SUGGESTIONS

We believe the person doing a job is in the best position to think of ways of doing it more easily, more efficiently, and more effectively. HIES has established an employee suggestion program. (We call it a Cost Reduction Program.) If you think of a better way of doing your job or the job of a fellow employee, fill out a recommendation form and submit it to the office or to your supervisor.

Remember that there may be areas in HIES's operation that can be improved. These could be in service, production methods, equipment, communications, safety, ways to reduce costs, losses, and/or waste, or other improvements you may see a need for. Please give us the benefit of your unique experience and thoughts. Make sure to document your innovations and money-saving efforts and have them placed in your personnel file (include dates, detailed descriptions of your contributions, estimates from the accounting department regarding cost savings or profits generated, etc.) -- these may favorably affect your wage, salary or promotion reviews. Employees who submit recommendations that result in quantifiable cost savings to the company will be given bonuses. Forms and instructions are available from the office.

FIREARMS AND LETHAL WEAPONS

HIES believes it is important to establish a clear policy that addresses weapons in the workplace. Specifically, we prohibit all persons who enter company property and/or job sites (including buildings, parking lots and vehicles) from carrying a handgun, firearm, knife, or other prohibited weapon or explosive device of any kind regardless of whether the person is licensed to carry the weapon or not. Folding or other knives with a legitimate business use are not included in this policy.

VIOLENCE IN THE WORKPLACE

HIES has adopted a zero tolerance policy prohibiting workplace violence. Consistent with this policy, acts or threats of physical violence, including intimidation, harassment, and/or coercion, which involve or affect HIES or which occur on HIES property will not be tolerated.

Acts or threats of violence include conduct which is sufficiently severe, offensive, or intimidating to alter the employment conditions at HIES, or to create a hostile, abusive, or intimidating work environment for one or several employees. Examples of workplace violence include, but are not limited to, the following:

1. All threats or acts of violence occurring on HIES's premises, regardless of the relationship between HIES and the parties involved.
2. All threats or acts of violence occurring off HIES's premises involving someone who is acting in the capacity of a representative of HIES.

Specific examples of conduct which may be considered threats or acts of violence include, but are not limited to, the following:

1. Hitting or shoving an individual.
2. Threatening an individual or his/her family, friends, associates, or property with harm.

3. Intentional destruction or threatening to destruct HIES's property.
4. Making harassing or threatening phone calls.
5. Harassing surveillance or stalking (following or watching someone).
6. Unauthorized possession or inappropriate use of firearms or weapons.

HIES prohibition against threats and acts of violence applies to all persons involved in HIES's operation, including but not limited to personnel, contract, and temporary workers and anyone else on HIES property. Violations of this policy by any individual on HIES property will lead to disciplinary action, up to and including termination and/or legal action as appropriate.

Every employee is encouraged to report incidents of threats or acts of physical violence of which he/she is aware. The report should be made to your supervisor or other designated company representative).

Amendments to Handbook:

HIES reserves the right and discretion to amend, delete, deviate from, or change benefits, compensation and policies at the sole discretion of the Company. Changes are effective as of the date of their occurrence.

Exceptions to the Amendments to Handbook Policy:

Only the President of the Company, in a written document signed by her/him, has the authority to enter into any agreements contrary to the terms of the HIES Company Employee Handbook.

CONCLUDING REMARKS

No employee manual can answer every question, nor would we want to restrict the normal question and answer interchange among us. It is in our person-to-person conversations that we can better know each other, express our views, and work together in a harmonious relationship.

We hope this Manual will help you feel comfortable with us. We depend on you -- your success is our success. Please don't hesitate to ask questions. Your manager will gladly answer them. We believe you will enjoy your work and your fellow employees here. We also believe you will find HIES a good place to work.

As earlier stated, not every conceivable company policy and procedure can be found in a single manual. From time to time new or revised policies, procedures or workplace rule will be developed and distributed to all employees. You will be expected to adhere to them as well.

Statement of Acceptance of Employee Handbook

I have read and understand the contents of this handbook and will act in accord with these policies and procedures as a condition of my employment with HIES.

I have read and understand the Standards of Conduct expected by HIES and I agree to act in accord with the Standards of Conduct as a condition of my employment by HIES.

I understand that if I have questions or concerns at any time about the handbook or the Standards of Conduct, I will consult my immediate supervisor, my supervisor's manager, the Human Resources staff, or the President for clarification.

I also acknowledge that the handbook contains an employment-at-will provision that states:

- Either HIES or I can terminate my employment relationship at any time, with or without cause, and with or without notice;
- That this employment-at-will relationship is in effect regardless of any other written statements or policies contained in this handbook, in any other HIES documents, or in any verbal statements to the contrary; and
- That no one except the President can enter into any differing employment relationship, contract, or agreement. To be enforceable, any such out-of-the-ordinary relationship, contract, or agreement must be in writing, signed by the President, notarized, and in the employee file.

Please read this Handbook and these employee Standards of Conduct carefully to understand these conditions of employment before you sign this document.

Employee Signature

Date

Employee Name (Please Print)

HIES: The Purpose of the Handbook

This Hawaii International Environmental Inc., (hereinafter referred to as [HIES] Employee Handbook establishes policies, procedures, benefits, and working conditions that will be followed by all HIES employees as a condition of their employment at the Company. The Standards of Conduct describe the expected actions and behaviors of employees while conducting Company business.

This HIES Employee Handbook is not a contract of employment nor is it intended to create contractual obligations for the Company of any kind.

The policies and procedures outlined in this handbook will be applied at the discretion of HIES. HIES reserves the right to deviate from the policies, procedures, benefits, and working conditions described in this handbook. Furthermore, the Company reserves the right to withdraw or change the policies, procedures, benefits, and working conditions described in this handbook at any time, for any reason, and without prior notice.

HIES will make every effort to notify employees when an official change in policy or procedure has been made but employees are responsible for their own up-to-date knowledge about Company policies, procedures, benefits, and working conditions.

No provision in this employee handbook and expected Standards of Conduct can be waived without written permission from the Company's President, or designee. Such a waiver, if granted, applies only to the employee for whom the waiver was granted at the time of the waiver.

HIES strives to provide an employee-friendly environment in which goal-oriented individuals thrive as they achieve ever more demanding challenges. HIES commitment to serving customers and to providing quality products at competitive prices is unwavering. These policies, procedures and working conditions provide a work environment in which both customer interests and employee-interests are served.

HIES values the talents and abilities of our employees and seeks to foster an open, cooperative, and dynamic environment in which employees and the Company alike can thrive. The Company provides an **Open Door Policy** in which employees are encouraged to take problems to the next level of management if they are unable to resolve a situation with their direct supervisor.

HIES is an equal opportunity employer. Religion, age, gender, national origin, sexual orientation, race, or color does not affect hiring, promotion, development opportunities, pay, or benefits.

HIES provides for fair treatment of employees based on merit. The company complies with all applicable federal, state, and local labor laws.

Employment at HIES is on an "at will" basis, which means that either you, the employee, or HIES, may terminate the employment relationship at any time, for any reason, with or without cause. Only a written agreement, signed by the President of HIES, can change the "at will" nature of the employment of any individual.

Please review the policies, procedures, working conditions, and benefits described in this handbook. You will be asked to affirm that you have read, understand, agree to abide by, and acknowledge your receipt of this employee handbook and employee Standards of Conduct.

Regards,

Mayumi Randall
Company President