



Ellsworth Corporation

Employee Handbook
A Guideline of Policies, Benefits, and General Information

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Employee Handbook and Policies

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Section I. Introduction

Section 1.01 Mission and Corporate Philosophy

It is the mission of Ellsworth Corporation to provide outstanding service to its clients in providing for its insurance and bonding needs. Routinely named as one of the area's best places to work by CityBusiness Ellsworth is committed to providing a professional, enjoyable and rewarding workplace for all of its employees. We recognize our employees as the key to our continued success. We are committed to providing our employees with:

- An environment that encourages productivity
- A means for each employee to advance and grow
- Comprehensive benefits
- Competitive compensation opportunities
- Open dialogues for continuous improvement

By meeting these goals, each employee has the opportunity to reach their maximum potential and share in one of the best working environments in the insurance industry.

Section 1.02 Introduction

Ellsworth's Handbook establishes personnel management rules and regulations that are designed to foster good working relationships and ensure uniform instructions to aid all employees in carrying out their responsibilities in an organized, effective and efficient manner. This will help Ellsworth achieve its mission, while providing for a legal, fair and practical personnel management system that recognizes the value of its employees.

Section II. Nature of Employment

Section 2.01 Personnel Administration

Ellsworth has a Personnel Committee, which is responsible for personnel administration. Questions regarding your employment and this Employee Handbook should be addressed to the Personnel Committee, which is comprised of the President, Chief Financial Officer, Chief Operating Officer and Ellsworth's Human Resources Consultant.

Section 2.02 Application for Employment

All candidates for employment must fully complete, date and sign the standard employment application form. The form should be completed in detail, including a complete work history. Ellsworth may investigate any portion of the requested information and may deny or later terminate the employment of anyone giving false,

misleading or incomplete information. All applications for employment with Ellsworth must be signed by the applicant.

Completed applications will be made part of the personnel file of those applicants accepted for employment. Applications from internal or external applicants not selected for available openings shall be maintained in an active file in the Human Resource Department until the end of the calendar year in which the application is received.

Section 2.03 Previous Employment

Ellsworth, at its discretion, will request information from the prospective employee's previous employers relative to their work record in connection with their application for employment. Additionally, Ellsworth will conduct a background check on all applicants who are offered and accept employment.

Section 2.04 Release of Information

The information contained in an employee's record is treated as confidential. Inquiries or requests for personnel information including, but not limited to, employment verification, credit checks, references, home loan applications, etc. are to be referred to the Personnel Committee. Ellsworth's standard policy is that only your employment dates and current title will be verified. Additional information about the employee, such as the employee's salary or job history will not be released without the employee's written authorization.

Section 2.05 Access by Employees to Personnel Records

An employee may request to review their personnel record. This request must be made in writing to the Personnel Committee who will coordinate the review of the employee's personnel record with a member of the Personnel Committee or their designated representative. A request to review the file must be made at least 72 hours in advance of the review.

A member of the Personnel Committee or their designated representative must be present during the entire time which the employee reviews his or her personnel file. Personnel files may not leave the control of the Personnel Committee's possession and may not be copied without prior permission of the Personnel Committee. Copying, defacing or markings made by the employee on original documents in the possession of the Personnel Committee may result in disciplinary action under Ellsworth's disciplinary procedures. Employees are permitted to take notes on the information they view in their personnel file.

Section 2.06 Updates to Personnel Records

If there is a change in name, marital status, number of dependents, beneficiary, telephone number, or address, an employee must notify the Personnel Committee in writing. It is very important that personnel records are kept current to provide employees with correct pay and benefits and to contact the appropriate person in the case of an emergency.

Section 2.07 Maintenance of Personnel Records

Employee files are maintained by the Personnel Committee. Personnel records are considered confidential. Managers and supervisors other than the Personnel Committee may only have access to personnel information based on business-related reasons for the inquiry addressed to the Personnel Committee. A manager or supervisor considering the hire of a former employee or transfer of a current employee may be granted access to information in the file relative to the hiring or transfer process.

Representatives of government or law enforcement agencies, in the course of their business, may be allowed access to file information. The decision will be made at the discretion of the Personnel Committee in response to the request, a legal subpoena, or court order.

Section 2.08 Educational Background Checks

Ellsworth routinely conducts background checks to certify appropriate credentials for certain employees upon hire once the hiring manager has extended a conditional offer of employment. Employees will be requested to provide the appropriate release, in compliance with Federal and state law, for Ellsworth to obtain educational records from an employee's educational institution(s) attended. The Personnel Committee will keep educational information obtained from the employee's previously attended educational institution(s) confidential and maintained in the employee's personnel file. The Personnel Committee may share information obtained from a background check with the manager and/or supervisor conducting interviews, hiring, considering a transfer or other business necessities for this information.

Section 2.09 Criminal Background Check

Ellsworth requires background checks for all employees once Ellsworth has extended a conditional offer of employment. Although a disqualification is possible, in accordance with Federal and state laws, a previous conviction does not automatically disqualify an applicant from consideration for employment with Ellsworth. Depending on a variety of factors (i.e. nature of the conviction, length of time since illegal activity, or age of individual when illegal activity occurred), the applicant may still be eligible for employment with Ellsworth.

If an employee and/or applicant with a conditional offer of employment, at time of application, attempts to withhold information or falsify information pertaining to previous convictions, the individual will be disqualified from further employment consideration in any position with Ellsworth and/or may be terminated from employment due to falsification of an application.

Section 2.10 Motor Vehicle Records Check & Vehicle Safety

Employees required to travel by vehicle while on work time in the course of their duties are expected to observe the law, including seatbelt use. Employees are personally responsible for fines resulting from traffic violations, including moving and non-moving violations. Such fines or violations are grounds for discipline, up to and including termination.

Section 2.11 Immigration and Naturalization

Federal law, through the Department of Homeland Security, requires that Ellsworth and candidates for employment provide specific documents, as outlined in Section 1 of Form I-9, to establish the candidate's identity and employment eligibility within three (3) days of commencing employment, as well as complete Section 1 of Form I-9. Failure to provide the required documentation within 3 days of request and/or employment with Ellsworth will result in termination of employment with Ellsworth. Additionally, Ellsworth may require these documents during the course of an employee's employment as well to assist in maintaining Ellsworth's records or in response to an inquiry by the Federal, State or local government.

Section 2.12 Employment Status

Ellsworth policies apply to all categories of employees. Benefits and compensation is dependant on the status of employment. Part-time employees are eligible for certain benefits by specific reference only. Temporary employees are not eligible for benefits, unless mandated by law, and do not accumulate leave under Ellsworth leave policies, unless mandated by law. "Eligible Employees" used in the following sections of this Handbook refer to "full-time employees" unless otherwise designated.

Employees will be advised as to the status of their position with the offer of employment. Employment status at Ellsworth falls into one of the following categories:

- *Full-Time Employee*

Employees hired full-time (30 hours per week or more) on a full workweek basis for a continuous and indefinite period of time are considered full-time employees for compensation and benefits purposes.

- *Part-Time Employee*

Employees hired part-time work schedules that are less than a full-time employee (less than 30 hours) on a full workweek basis for a continuous and indefinite period of time are considered part-time employees for compensation and benefits purposes.

- *Temporary Employee*

Employees hired to perform a job or to work on a project that has a defined or undefined duration. Employees in the temporary employee position include, but are not limited to, temporary replacement for full-time or part-time employees to cover vacation or other leave periods, temporary assistance such as during summer months or peak periods. Temporary employees cannot change from temporary status to any other employment status through informal means such as remaining employed for an extended period of time or through oral promises made to them by a manager or supervisor. The only manner that a temporary employee can be reclassified as part-time or full-time is through official written notice from Ellsworth after completing an application for a full-time or part-time position and approval by the Personnel Committee.

- *Contract Employee*

Ellsworth may, on occasion, hire an independent contractor to contract certain work. Independent contractors cannot by the nature of the relationship be full-time or part-time employees, however, certain provisions within this handbook will apply to any contractor related to behavior expectations on while performing contract work at Ellsworth's facilities, including but not limited to the Anti-harassment /Anti-discrimination and Anti-retaliation policy, and certain portions of Educational or Criminal Background check requirements, loss prevention, taping and eavesdropping on conversations, smoking policy, visitors in the workplace, workplace violence, technology usage policy, and drug and alcohol policy, as well as any additional policies or provisions set forth in any contract between Ellsworth and an independent contractor. The provisions of this handbook are superseded by any contract established between Ellsworth and an independent contractor.

Section 2.13 Exempt from Federal Wage and Hour Laws

Certain full-time or part-time employees may be classified as “exempt employees” under Federal Wage and Hour laws. Exempt employees often are paid a salary and work irregular work schedules, or begin and end their workday beyond a normal workday. Exempt employees do not receive overtime pay for working additional hours beyond 40 work hours.

Section 2.14 Non-Exempt from Federal Wage and Hour Laws

Certain full-time or part-time employees may be classified as “non-exempt employees” under Federal Wage and Hour laws. Non-exempt employees are expected to confine their work to a normal workday and workweek unless the Personnel Committee or their supervisor has authorized overtime in advance. Non-exempt employees will be paid for all hours worked over 40 hours in a workweek (or Federal standard threshold should it change from 40 hours) at a rate of one and one-half their normal rate, commonly referred to as time-and-a-half.

Section 2.15 Introductory Period

During the first 90 days of employment, Ellsworth and the new employee are given an opportunity to evaluate whether the employment relationship should continue. Before the end of the 90-day period, their manager or the Personnel Committee will notify the employee of their future employment status and/or ratification of the employee’s employment. Neither the 90-day introductory period nor the ratification will change an employee’s “at-will” status. Employees may not be eligible for certain benefits until the introductory period or extension of the introductory period is satisfied.

Section 2.16 Employment of Minors

Ellsworth fully complies with the Child Labor provisions of the Fair Labor Standards Act and applicable state and local laws governing the employment of minors. Should Ellsworth employ a minor, its decision-making, scheduling, and employment of such employee will be done within the confines of all applicable Child Labor laws.

Section 2.17 Resignation and Requests for Resignations

Ellsworth requires that employees provide two weeks written notice prior to the resignation of their position. Failure to provide such notice may result in disciplinary action, up to and including termination of employment. Ellsworth may elect to pay out the resigning employee and have the employee leave immediately despite the providing of a two-week notice. Employees who resign their employment with Ellsworth must participate in an Exit Interview with the Personnel Committee or a designated representative of the committee. Further, the Personnel Committee or a designated representative will provide the employee with necessary information regarding the resigning employee’s status and options under various benefit coverages.

An employee failing to meet standards of conduct may be counseled or, alternatively, whether provided previous counseling or not, may be requested to resign the employee’s position of employment with Ellsworth. Should a request for resignation occur, Ellsworth will pay the employee through the date of notice and provide an explanation of options under various benefit coverages. This policy does not alter the

“at-will” employment of any employee. Requests for resignation and notice may be provided to an employee in lieu of termination at the discretion of Ellsworth.

Section 2.18 Re-instatement Rights of Military Personnel Employees

Military personnel, including National Guard, Reserves and Coast Guard, reinstatement and reestablishment of benefits will be done in accordance with the Uniformed Soldiers Employment and Re-Employment Rights Act of 1994 and Veterans Benefits Improvement Act of 2004 and any other applicable Federal and state law.

Section 2.19 Child Support Reporting Requirements

Federal and state law may require Ellsworth to report basic information about employees, including name, address, Social Security numbers and pay rate information to appropriate authorities. This information may be used to enforce child support orders if the employee is determined to owe child support and Ellsworth receives an order requiring the production of this information or to withhold money from an employee’s paycheck to pay child support.

Section III. Employee Ethics

Section 3.01 Conflict of Interest

PURPOSE OF POLICY

To establish guidelines to guard against conflicts of interest and to assure an employee’s ability to render full service to Ellsworth.

STATEMENTS OF POLICY

Employees should avoid situations that might cause their interests to conflict with Ellsworth or might compromise Ellsworth’s integrity and reputation. A conflict, or the appearance of one, occurs when the employee or an immediate family member uses the employee’s position at Ellsworth for personal benefit through an investment, association, or business relationship that interferes with the employee’s ability to exercise independent judgment on behalf of Ellsworth.

Employees shall not, directly or indirectly, engage in any outside employment or financial interest which may conflict, in the opinion of Ellsworth, with the best interests of Ellsworth or interfere with the employee’s ability to perform the assigned Ellsworth job.

Examples include, but are not limited to, outside employment which:

1. Prevents the employee from being available for work beyond normal working hours, such as emergencies or peak work periods, when such availability is a regular part of the employee's job;
2. Is conducted during the employee's work hours;
3. Utilizes Ellsworth telephones, computers, supplies, or any other resources, facilities or equipment;
4. May reasonably be perceived by members of the public as a conflict of interest or otherwise discredits Ellsworth's reputation.

Section 3.02 Loss Prevention

One of the most important goals of Ellsworth is to protect the assets of Ellsworth. Loss prevention means controlling expenses through waste, theft, carelessness and administrative errors. By working together we can assist in controlling the losses by following these guidelines:

- a. *Help others to be honest by setting the example.*
- b. *Pay closer attention to detail by following appropriate operational procedures and controls.*
- c. *Always use Ellsworth supplies and property conservatively and with respect.*
- d. *Do not use Ellsworth materials for personal use and do not remove or attempt to remove Ellsworth materials or property without proper authorization.*
- e. *Report any theft or dishonest practice to a supervisor or the Personnel Committee.*

Working together as a team through proper work practices and paying careful attention to what and how we do our jobs will make Ellsworth a more efficient and cost effective company.

Section 3.03 Taping and Eavesdropping on Conversations

Ellsworth encourages open communications among its employees and between its employees and management. To facilitate such open communications, and to prevent a chilling effect that may occur if employees are permitted to tape or secretly record or surreptitiously listen in on any conversation or communication, and to ensure compliance with applicable federal, state and local wiretapping, eavesdropping, and privacy laws, Ellsworth has instituted the following policy:

Without the prior written authorization of Ellsworth's Personnel Committee, no employee may openly or secretly tap or otherwise surreptitiously record or videotape any conversation, communication, activity, or event which is any way involves Ellsworth, employees or customers, or any other individual with whom Ellsworth is doing business or intending to do business in any capacity. This policy also applies to conversations and communications with any third parties unrelated to Ellsworth,

including, but not limited to, outside legal counsel, auditors, and government officials.

“Taping” or “Recording” under this policy includes the taping or recording of any conversation or communication, regardless of whether the conversation or communication is taking place in person, over the telephone, or via any other communications device or equipment, and regardless of the method used to tape record (i.e. as with a tape recorder, video recorder, mechanical recording, digital recording, or wiretapping equipment) and regardless of where the conversation or communication takes place.

No employee may eavesdrop on the conversations or communications of other employees or non-employees in accordance with the same standards set forth above.

Violation of this policy may result in disciplinary action, up to and including termination of employment. Where the conduct engaged in is illegal, violators may also be subject to prosecution under applicable federal, state and local laws.

At times, Ellsworth may institute call monitoring of its telephone system available to the public. This procedure is used to ensure proper customer relations and is not subject to this policy. Should Ellsworth institute a call monitoring system for customer service reasons, both the employees and customers will be provided notice that such system is being used.

Section 3.04 Confidential Nature of Business

All company business is considered private and confidential and should not be discussed with others except under business conditions. Failure to maintain the confidential nature of Ellsworth’s business, the private and confidential information regarding Ellsworth’s clients, and the confidentiality of information received and conveyed to Ellsworth’s clients will be considered a violation of this policy and will subject an employee to disciplinary actions up to and including termination of employment.

Section 3.05 Ellsworth Credit Card Usage

Certain employees due to their job responsibilities maybe assigned a credit card (or access to a credit account) that is to be used only for purchases for Ellsworth. Employees with a credit card (or access to a credit account) will provide the Chief Financial Officer or that office’s designated representative with the original receipt for each purchase made immediately after the charge has been made. The employee should keep a copy of each receipt for their records. If the employee loses or misplaces the receipt, the employee should contact the vendor and request a duplicate copy.

When charges have been made in connection with a trip involving the use of a Travel/Expense Reimbursement form, the receipt should be attached to the form and sent in at the conclusion of the trip.

Purchases made for items other than Ellsworth purposes are not permitted. If an employee intentionally or otherwise uses the credit card for personal use, the following procedure will be used:

1. The Chief Financial Officer or his or her representative will notify the employee that a non-Ellsworth charge has been posted to the account and will furnish the employee with a copy of the charge;
2. The employee is required to reimburse Ellsworth within three (3) days of notification or before Ellsworth makes payment to the credit account, whichever occurs first;
3. The Business Manager will notify the Human Resource Manager of the employee's improper use of Ellsworth credit.

Should the employee be terminated or resign prior to reimbursement to Ellsworth of personal charges on an Ellsworth credit card (or account), the employee agrees that this amount will be deducted from his or her final compensation owed to the employee by Ellsworth to the maximum extent permitted by law.

Failure to comply with this policy may terminate the employee's ability to maintain an Ellsworth-issued credit card (or access to a credit account) and will result in disciplinary action, up to and including termination of employment.

Section IV. Handling Oneself at the Workplace

Section 4.01 Resolving Issues

If an employee disagrees with Ellsworth's established workplace standards, policies, or practices, the employee may express his or her concern through the proper problem resolution procedure discussed in this section. No one will be penalized, formally or informally, for voicing a legitimate concern in a reasonable, business-like manner, or for appropriately using this problem resolution procedure. Ellsworth encourages its employees to discuss an employee's concerns in an open and direct manner with his or her supervisor.

If a situation occurs where an employee believes that a condition of employment or a decision affecting the employee is unjust or inequitable, the employee is encouraged to use the following steps. These steps are at the employee's discretion and may be discontinued at any time by the employee.

- Present the employee's concern to his or her immediate supervisor after the incident or concern occurs or presents itself.
- When possible, the employee's supervisor will respond to the concern, or investigate the matter and respond within a reasonable time frame.
- If the employee is not satisfied with his or her supervisor's response, the employee may request a meeting with the supervisor and a member of the Personnel Committee or its designated representative. Generally, this meeting should take place within 10 days of the employee's request. During this

meeting, an open and frank discussion will be encouraged in discussing the nature of the employee's concern.

Ellsworth's goal is to give the employee's concern a full and fair evaluation and to make every effort to resolve it. Not every problem can be resolved to everyone's total satisfaction. Ellsworth believes that it is only through understanding and discussion of mutual concerns that Ellsworth and its employees can develop confidence in each other. This confidence is important to the operation of an efficient and harmonious work environment.

Section 4.02 Smoking Policy

In compliance with Louisiana's smoke-free workplace and clean air laws, Ellsworth has instituted a smoke-free workplace. Smoking is prohibited in all indoor areas. Smoking may be permitted in an outdoor area designated by Ellsworth or building management/owner.

Ellsworth will not discriminate against any employee because of the decision to use tobacco products, however, Ellsworth has an affirmative duty under Louisiana law to implement the smoke-free law and thereby protect the rights of its non-smoking employees and the general public from being exposed to second-hand smoke.

Section 4.03 Solicitation

Ellsworth values the privacy of its employees, as well as providing a safe and efficient workplace, therefore, the Ellsworth will enforce a strict no solicitation policy during work hours and on Ellsworth property. Violation of this policy may result in disciplinary actions, up to and including termination.

Section 4.04 Dress Standards

As representatives of Ellsworth, all employees have the responsibility to dress and maintain appropriate personal hygiene and appearance in a manner appropriate to the work situation. Due to the nature of our business and the extent of our public contact, you are expected to use good judgment in your dress and appearance.

Section 4.05 Visitors in the Workplace

All employees are responsible for being aware of their surroundings and recognizing questionable individuals in their workplace. To provide for the safety and security of all employees, clients and the facilities at Ellsworth, only authorized visitors, clients and vendors are allowed in restricted areas. Restricting unauthorized visitors helps maintain safety standards, protects against theft, and ensures security of equipment. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized or questionable individual is observed in a restricted area on Ellsworth's premises, employees should immediately address the situation or notify a supervisor or someone in authority to handle the situation properly.

Section 4.06 Workplace Violence

POLICY STATEMENT

Ellsworth has a policy of zero tolerance for violence. The purpose of this policy is to provide a safe workplace free from aggressive, threatening, or violent acts. Ellsworth expressly prohibits any acts or threats of violence (verbal or physical) by any employee, former employee, or person affiliated or related to a current or former employee, against any other person.

If an employee engages in any acts of violence, including threats of violence, as described below, employment is subject to disciplinary action, up to and including termination.

ACTS OR THREATS OF VIOLENCE DEFINED

For purposes of this policy, "violence" includes threats or threatening behavior or conduct against persons or property that is sufficiently severe, offensive or intimidating to alter the employment conditions at Ellsworth and/or creates a hostile, abusive or intimidating work environment for one or more employees or customers. The following definitions are intended to provide further guidance:

- "Threat" includes a communicated intent to inflict physical or other harm on any person or property.
- "Threatening Behavior" is any behavior that is provoking and unsafe, which by its very nature could cause physical or other harm to any person or property. It may or may not include an actual physical attack.
- "Physical Attack" - Aggression resulting in a physical assault with or without the use of a weapon.

SPECIFIC EXAMPLES OF PROHIBITED CONDUCT

Specific examples of conduct that may be considered "threats or acts of violence" prohibited under this policy include, but are not limited to, the following:

- Hitting or shoving an individual;
- Threatening to harm an individual or his or her family, friends, employees, customers or property;
- The intentional destruction or threat of destruction of property owned, operated or controlled by Ellsworth;
- Making harassing or threatening telephone calls, letters, e-mail messages, or other forms of written or electronic communications;

- Harassing surveillance, also known as “stalking”, is the willful, malicious and repeated following of another person and creating a credible threat with intent to place the other person in reasonable fear of his or her safety; and,
- Unauthorized possession or inappropriate use of firearms, weapons, or any other dangerous devices on Ellsworth property.
- Criminal behavior outside of the workplace that is of a violent nature.

RESPONSIBILITIES AND IMPLEMENTATION

In keeping with the spirit and intent of this policy, and to ensure that Ellsworth’s objectives in this regard are attained, it is the responsibility of both Ellsworth and all employees to help prevent violence in the workplace. It is the commitment of Ellsworth to:

- Take prompt and remedial action, up to and including termination, against any employee who engages in any of the conduct defined above.
- Take appropriate action in dealing with customers, former employees, vendors or visitors to Ellsworth facilities who engage in such behaviors. Such action may include notifying the police or other law enforcement personnel and prosecuting violators of this policy to the maximum extent of the law.
- Prohibit employees, former employees, clients, vendors and visitors from bringing unauthorized firearms or other weapons onto Ellsworth’s premises.
- Establish appropriate security measures at the property to promote safety and security.

It is everyone’s business to prevent workplace violence. Employees can help by reporting their observation of the types of conduct described in this policy, or any other behaviors that could indicate that a co-worker (or someone else on the property) is in trouble to a supervisor or Personnel Committee. Employees reports made pursuant to this policy will be held in confidence to the maximum extent possible. Ellsworth does not tolerate any form of retaliation by anyone against any employee making such a report.

Section V. EEO & Harassment/Discrimination Policy

Section 5.01 Equal Employment Opportunity Policy

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Ellsworth are based on merit, qualifications, and abilities. Ellsworth does not discriminate in employment opportunities or practice on the basis of race, color, religion, sex, national origin, age, disability, sexual orientation, military status, veteran status or any other characteristic protected by Federal, state, or local law. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

The Personnel Committee, administrators, managers and supervisors are responsible for implementing equal employment practices within each department. The Personnel Committee is responsible for Ellsworth's overall compliance, and shall maintain personnel records in compliance with applicable laws and regulations.

Employees with questions or concerns about equal employment opportunity in the workplace should bring these questions or concerns to the attention of their immediate supervisor or the Personnel Committee (or its designated representative).

Section 5.02 Anti-Harassment/Anti-Discrimination, Anti-Bullying and Anti-Retaliation Policy

Ellsworth is firmly committed to the ideal of a work environment in which all individuals are treated with respect and dignity. All employees have the right to work in a professional atmosphere that promotes equal opportunity and prohibits discriminatory practices, harassment, bullying and retaliation. At Ellsworth, discrimination, harassment, bullying and unlawful retaliation, whether verbal, physical or environmental, are unacceptable and will not be tolerated.

Ellsworth prohibits conduct and comments that are inappropriate in the workplace even if not directly addressed by state, federal or local law. Employees at all levels in Ellsworth have the responsibility to support and contribute to a respectful work environment which includes avoiding any participation in unacceptable behavior, implied or explicit, that violates this policy. All employees should act in a way that will be seen as respectful and responsible from the perspective of the people with whom they interact. Unlawful discrimination, harassment, bullying or retaliation occurring in the workplace or in connection with work in violation of this policy will not be tolerated.

INDIVIDUALS COVERED BY THIS POLICY

This Policy covers all employees, including full-time, part-time, hourly, temporary, salaried, contract employees, supervisors, directors, managers, board members, and support staff.

Ellsworth will not tolerate, condone or allow discrimination, harassment, bullying or retaliation. Neither will Ellsworth tolerate, condone or allow discrimination, harassment, bullying or retaliation by outside clients, vendors, independent contractors, or other non-employees who conduct business with or visit Ellsworth's facilities. Ellsworth encourages all employees to report all incidents of discrimination, harassment, bullying or retaliation, regardless of who the offender may be or of the offender's relationship to Ellsworth.

The following discussions of what can constitute discrimination, sexual harassment, bullying and unlawful harassment are simply guidelines. Be mindful that they are illustrative not exhaustive examples.

DISCRIMINATION

Discrimination generally involves treating one employee or applicant differently from another in connection with terms or conditions of employment such as hiring, placement, promotion, termination, layoff, recall, transfer, leave of absence, compensation and training because of that person's gender, color, race, age, national origin, pregnancy, ancestry, marital status, veteran status, military status, disability, handicap, religion, creed, sexual orientation, citizenship status or other legally protected status. It also could involve a failure to make a reasonable accommodation in certain circumstances.

SEXUAL HARASSMENT

For purposes of this policy, sexual harassment includes unwelcome or unwanted advances, requests for sexual favors and any other verbal, visual or physical conduct of a sexual nature when:

- Submission to or rejection of this conduct by an individual is used as a factor in decisions affecting hiring, evaluation, retention, promotion or other aspects of employment; or
- This conduct reasonably could be expected to and does interfere with an individual's work environment, employment or creates an intimidating, hostile or offensive work environment.

Examples of situations that may be sexual harassment include, but are not limited to:

- Unwanted sexual advances; or
- Demands for sexual favors in exchange for favorable treatment or continued employment;
- Threats and demands to submit to sexual requests in order to obtain or retain any employment benefit;
- Verbal conduct such as derogatory comments; slurs, insults or verbal abuse of a sexual nature;
- Comments which the recipient indicates are unwelcome, such as sexual invitations; sexual jokes; propositions; and comments or gestures, which are suggestive and/or obscene;
- Unwanted graphic, verbal commentary about an individual's body, sexual prowess or sexual deficiencies;
- Battery, touching, pinching, assault, coerced sexual acts, blocking of normal movements, or unwanted flirtations, advances, leering, or whistling;
- Visual conduct such as sexually explicit, derogatory or offensive printed or
- Visual material such as posters, photographs, cartoons, drawings, e-mails, notes, or gestures or other displays in the workplace of sexually suggestive or offensive objects or pictures;
- Unwanted conduct or comments consistently targeted at only one gender, even if the content is not sexual; or
- Retaliation for reporting or threatening to report sexual harassment.

ANTI-BULLYING POLICY

Ellsworth considers workplace bullying unacceptable and will not tolerate it under any circumstances. This policy shall apply to all employees, regardless of his or her employee status (i.e. managerial vs. hourly, full-time vs. part-time, employee vs. independent contractor). It applies during normal working hours, at work related or sponsored functions, and while traveling on work related business. Any employee found in violation of this policy will be disciplined, up to and including immediate termination. Independent contractors found to be in violation of this policy may be subject to contract cancellation.

Ellsworth promotes a healthy workplace culture where all employees are able to work in an environment free of bullying behavior.

Ellsworth defines bullying as persistent, malicious, unwelcome, severe and pervasive mistreatment that harms, intimidates, offends, degrades or humiliates an employee, whether verbal, physical or otherwise, at the place of work and/or in the course of employment.

Ellsworth encourages all employees to report any instance of bullying behavior without limiting any person's entitlement to pursue resolution of their complaint with the relevant statutory authority. Any reports of this type will be treated seriously, investigated promptly and impartially. Ellsworth requires any Supervisor who witnesses any bullying, irrespective of reporting relationship, to immediately report this conduct to the President.

Ellsworth will protect an employee who reports bullying conduct from retaliation or reprisal. There will be no recriminations for anyone who in good faith alleges bullying.

OTHER UNLAWFUL HARASSMENT

Includes but is not limited to the following:

- Unwelcome conduct, whether verbal, physical or visual that is based on gender, color, race, age, national origin, ancestry, disability, handicap, marital status, veteran status, pregnancy, religion, creed, sexual orientation, citizenship status or other legally protected status, and either affects terms or conditions of employment, unreasonably interferes with work performance, or creates an intimidating, hostile or offensive work environment.

As an illustration, some examples of conduct that may be regarded as unlawful harassment based on a hostile or offensive work environment include:

- Using derogatory or inflammatory language including jokes that make fun of or belittle an individual because of inherent personal characteristics such as ethnicity, sex, gender, race, age, sexual orientation, religion, or disability;

- Epithets, slurs, negative stereotyping, disparaging remarks or intimidating acts based on any of the protected categories listed above;
- Telling or forwarding jokes directed to someone’s protected status, such as racial or ethnic jokes, regardless of whether “everyone tells them back and forth”;
- Posting, forwarding, showing or displaying in any manner cartoons that make fun of any group, religious belief, sex, or individual because of his or her protected status;
- Forwarding offensive e-mails, printing them out or displaying them in any manner; or
- Utilizing Ellsworth communication tools and resources such as the internet, e-mail or voice mail to retrieve, view, display or pass along messages or material that could be considered inappropriate, offensive and/or unprofessional. Written or electronic communications or other graphic materials that are of a sexual nature or present a person’s personal characteristics, such as race or ethnicity, in a hostile or offensive manner are inappropriate and are prohibited under the Policy.
- Retaliation for reporting or threatening to report harassment.

AREA COVERED

This behavior is unacceptable in the workplace itself and in other work-related settings such as business trips, outside work or appearances and business-related social events. In evaluating behavior, the standard to be applied is that of a reasonable person. This policy is designed to protect all employees from discrimination, harassment, bullying or retaliation in any way associated with the workplace or work environment.

DISSEMINATING THE POLICY

Ellsworth will announce and disseminate this policy to all employees and post it in an accessible location in the workplace. All supervisors and managers are responsible for knowing the substance of the policy and for implementing it. All employees must also be aware of the contents and substance of the policy. The Personnel Committee or its designated representative is available to answer all questions about the policy or its implementation.

REPORTING PROCEDURE/PREVENTION

All employees are strongly encouraged and managers and supervisors are required to immediately report any discrimination, harassment, bullying or retaliation to the Personnel Committee or its designated representative.

Employees, including managers and supervisors, should not assume Ellsworth is aware of concerns or issues brought to your attention by another employee. In order to allow Ellsworth to prevent and correct harassing, discriminatory, bullying or retaliatory conduct, it is essential that all employees use this reporting procedure and that Ellsworth receive information of every instance of such conduct in a timely

manner. Accordingly, every employee should understand that under no circumstances should anyone believe that he or she cannot or should not report any discrimination, harassment, bullying or retaliation.

Any employee who feels he or she has been victimized by bullying is encouraged to:

- See if they can sort out the problem with the offender informally first, advising the offender that his or her behavior is unwelcome and requesting that such behavior immediately stop.
- Report the matter, as promptly as possible, to his or her Supervisor, the Personnel Committee or the President.

Do not allow an inappropriate or unlawful situation to continue by not reporting it, regardless of who is creating the situation. You should not ignore inappropriate behavior or assume someone else will deal with it. No person in Ellsworth is exempt from this policy.

Individuals should not feel obligated to report their complaints to their immediate Supervisor first. If the person(s) to whom you would normally report discrimination, harassment, bullying or retaliation, or who is charged with investigating discrimination, harassment, bullying or retaliation is the actor(s), report such behavior to the alternative member of the Personnel Committee or a member of management for Ellsworth.

TIMEFRAME FOR REPORTING

Ellsworth encourages you to report complaints promptly so that Ellsworth may respond promptly and take appropriate action. This policy not only aids the complainant, but also helps Ellsworth maintain an environment free from discrimination and harassment.

Employees should also be aware of the time limits imposed by local, state and national government agencies for filing complaints of harassment, discrimination, bullying or retaliation; those time limits are posted on the official notices which are displayed on bulletin board in the kitchen location.

INVESTIGATING THE COMPLAINT OR REPORT

Ellsworth will promptly, thoroughly and objectively investigate complaints or reports of discrimination, harassment, bullying or retaliation and will take prompt remedial and/or disciplinary action as is appropriate under the circumstances. All employees are expected to cooperate with Ellsworth's efforts to investigate such complaints. All complaints or reports of discrimination, harassment, bullying or retaliation will be kept confidential except to the extent disclosure may be necessary for the purpose of investigation or remedial action.

Confidentiality

Except as set forth below, Ellsworth will not reveal the names of participants, the facts of an investigation, or any written information regarding an investigation to anyone not involved in the investigation, and will reveal to those involved only the information necessary in order to investigate thoroughly and effectively, and to take the necessary and appropriate disciplinary/remedial actions.

Ellsworth may not be able to keep written or other records of the complaint and investigation confidential if someone sues Ellsworth or its employees, or solicits action by a government agency, based on alleged discrimination, harassment, bullying or retaliation. Records may be discoverable to the extent that no applicable privilege protects them.

The Investigation

Each situation warrants the specific investigation needed.

Ellsworth's Personnel Committee or its appointed representative will complete the investigation of a complaint. Personnel Committee will determine the appropriate actions and communicate them through the best-suited person to the complainant and alleged actor as quickly as possible.

Any employee who violates this policy will be subject to disciplinary action, up to and including termination of employment. In fact, Ellsworth may discipline an employee for any inappropriate conduct discovered in investigating complaints or reports made under this policy, regardless of whether the conduct amounts to a violation of law or even a violation of this policy. Action also will be taken against all other violators as deemed necessary or as regulated by law.

ACTION

Ellsworth will impose upon any individual found to have engaged in misconduct constituting discrimination, harassment, bullying or retaliation appropriate disciplinary action, up to and including termination of employment. Actions may include: education or training, referral to counseling, withholding of a promotion, reassignment, change in status, and suspension without pay, financial penalties or termination.

Ellsworth's ability to discipline an outside actor (e.g. client, supplier, or deliverer) may be limited by the degree of control, if any, that it has over that person or the entity they work for or represent. However, any employee who has been subjected to discrimination, harassment, bullying or retaliation should file a complaint and be assured that some action will be taken if it is determined to have occurred. Such action may include instruction, if appropriate, ceasing business with a service provider, prohibiting entrance onto Ellsworth property, reporting the alleged actor to her or his employer, reporting a public official to an appropriate agency, or any other

appropriate action. Any action that may be taken against such third party is independent of action that other entities may impose.

MAINTAINING A WRITTEN RECORD OF THE COMPLAINT OR REPORT

Ellsworth will keep a written record of each complaint or report and how it was investigated and handled. Ellsworth will maintain written records on a confidential basis.

NO RETALIATION

Ellsworth will not tolerate and prohibits retaliation against anyone who makes a complaint of or reports discrimination, harassment, bullying or retaliation or participates in the investigation of such a complaint or report.

Retaliation is a serious violation of this policy: report it immediately. Any person found to have retaliated against another for reporting discrimination, harassment, bullying or retaliation is subject to disciplinary action, up to and including termination.

FORMAL LEGAL PROCEEDINGS

The procedures above apply to internal complaints or reports of discrimination, harassment, bullying or retaliation. Different procedures may apply if a formal administrative charge or civil lawsuit is filed by a governmental agency. If you receive such a charge, claim, complaint or suit, deliver it to the Personnel Committee immediately.

Ellsworth strictly prohibits retaliation against any person who files a formal charge or complaint of discrimination, harassment, bullying or retaliation. Any such retaliation will subject that person to discipline up to and including termination.

IMPROPER CLAIMS OF HARASSMENT, BULLYING OR DISCRIMINATION

Intentionally and knowingly falsifying a report of harassment, bullying or discrimination or intentionally and knowingly making a false claim under this policy will result in disciplinary action, up to and including termination.

CONCLUSION

Ellsworth has developed this policy to ensure that all employees can work in an environment free from discrimination, harassment, bullying or retaliation. When it comes to treating others with respect, all employees are expected to play a lead role. Each person must assume personal responsibility to maintain respect in the workplace. Ellsworth will strive to ensure that all are aware of the policy, and that Ellsworth will investigate and resolve appropriately any complaint or report Ellsworth receives.

Section VI. Technology Usage Policy

Section 6.01 Technology Usage

Ellsworth provides to some of its employees, computers and other technology, including portable computers, portable devices, servers, email systems, voicemail systems, local area networks, wireless networks, intranets, internets, printers, software, and removable storage media to assist in timely and efficient communications and work product (“Ellsworth-technologies”). These electronic tools and other technologies are owned by Ellsworth and are provided for business use only. All messages, documents and other information and data entered, created, received, reviewed, stored or communicated are the property of Ellsworth.

Employees who use or have access to Ellsworth-provided technologies are responsible for using these technologies in compliance with this Section’s policies. Abuse of usage of any Ellsworth-technologies will result in disciplinary actions, up to and including termination, as well as, where conduct engaged in is illegal, the employee may be subject to prosecution under applicable federal, state, or local laws, or reporting by Ellsworth to the appropriate law enforcement authorities.

Ellsworth-technologies are for business use only, except for limited personal usage delineated below. Employees should have no expectation of privacy in connection with use of Ellsworth-technologies, including creation, transmission, receipt or storage of information via Ellsworth-technologies or the Internet.

Employees should be aware that Ellsworth may purge files on its computers any time with or without notice. Ellsworth is not responsible for the loss of any files deleted, altered, or damages during its normal course of maintenance of Ellsworth-technologies.

Libraries on network drives for filing documents and storing information are identified. Accessing libraries on network drives, remote access drives or ftps that are not related to the performance of an employee’s job assignment is inappropriate behavior under this policy and may result in disciplinary action, up to and including termination of employment.

No employee may duplicate any licensed software or related documentation for use either on Ellsworth’s property or elsewhere, unless Ellsworth has been expressly authorized to do so by agreement with the licensor. Unauthorized duplication of software may subject users and/or Ellsworth to both civil and criminal penalties under the United States Copyright Act.

Employees, unless authorized by their job assignment or the Personnel Committee, may not load, download, execute or install any software programs, including Shareware, free software (including such programs as Windows Media Player, iTunes, WinAmp, LimeWire and other programs) onto Ellsworth-technologies. No employee may purchase software for Ellsworth-technologies without the approval of the Personnel Committee or its designated representative unless their job assignment requires such purchases to be made for which only the Chief Financial Officer or his

or her designated representative's approval is required. Only designated employees are permitted to install, delete, alter, execute, download or load approved programs onto Ellsworth-technologies.

Ellsworth-technologies may not be used to violate any law, including, but not limited to, copyright laws. No discriminatory/harassing or otherwise offensive usage of Ellsworth-technologies is permitted.

Solicitation and distribution of non-business related items is strictly prohibited on Ellsworth-technologies.

Employees consent to Ellsworth's right to monitor/search Ellsworth-technologies used by or in the possession of any employee.

Section 6.02 Internet Usage

Internet usage for non-business related functions is prohibited. Ellsworth understands that minimum usage may occur from time-to-time, but, continued usage of the Internet for non-business related purposes will subject an employee to disciplinary actions, up to and including termination. Minimum usage does not include reading articles online, searching the Internet, viewing social networks, checking personal email, shopping online, playing games, or other time consuming actions. Employee's work time is to be used for the purpose of completing job assignments and work related to Ellsworth's business. Personal access and usage of the Internet is the equivalent of taking an unauthorized break. Continued misuse of the Internet, or personal usage is inappropriate and unacceptable.

Employees are strictly prohibited from copying, reproducing, downloading, uploading, displaying, receiving, or sending any materials that may be copyright protected. Ellsworth does not condone the illegal duplication of software, music, publications, or other copyrighted materials and will not tolerate violations of the US Copyright Act. Employees violating this rule will be subject to discipline, up to and including termination, as well as criminal prosecution for such behaviors.

Employees are prohibited from posting, commenting, or participating in online chats, blogs, bulletin boards, or other online community environments unless these environments are business related and the employee has prior written permission from the Personnel Committee.

Employees consent and understand that Ellsworth has the right to remotely-monitor, record, review or use other technologies to investigate an employee's personal Internet usage.

Section 6.03 Ellsworth Cellular Phones and Handheld Devices

Certain employees, due to their job responsibilities, may be assigned a cell phone and/or handheld device that are to be used in the course of carrying out the employee's assignments and job duties.

Ellsworth's Chief Financial Officer or his or her designated representative will assign and furnish each cell phone and/or handheld device user with a copy of the detailed billing each month. The user should review the billing and notify the Chief Financial Officer or his or her designated representative of the following:

1. Approval of the business calls that are listed;
2. Notification of any charges that were not authorized by the user;
3. Notification of any charges that are personal calls made or received by the user.

Charges that occur as a result of personal calls or usage are to be reimbursed by the employee within thirty working days or before payment is due to the cell phone or providing company.

Failure to reimburse Ellsworth for personal calls or usage can make the employee subject to disciplinary action, up to and including termination of employment.

Employees must return all Ellsworth-provided cell phones and/or handheld devices on demand of Ellsworth, or at the termination of the employee's employment. Failure to return an Ellsworth-provided handheld device on demand or at the termination of the employee's employment will result in a deduction of the value of the cell phone or handheld device from the employee's next scheduled payment for compensation.

Inappropriate or offensive usage of an Ellsworth-cell phone and/or handheld device, including inappropriate phone calls, text-messaging, photos, videos, Internet usage and/or emails, is strictly prohibited. Such usage will result in disciplinary action, up to and including termination of employment.

Section 6.04 Voicemail and Email

Ellsworth's voicemail and Email systems, including messages delivered and sent on the systems, are the property of Ellsworth. Ellsworth maintains these systems to assist in the conduct of Ellsworth business. These systems, including the equipment and data stored in the systems, are and remain at all times the property of Ellsworth. All messages created, sent, received or stored in the systems are and remain the property of Ellsworth. Limited, occasional or incidental use of the voicemail and Email systems for personal, non-business purposes is understandable and unavoidable at times. However, employees should demonstrate a sense of responsibility. Personal usage should be limited to the maximum extent—multiple messages and/or Emails during a single day are unacceptable for the most part. At no

time should an Ellsworth-assigned Email address be used as an employee's primary Email address, provided to non-Ellsworth employees for non-business related matters (including using such for registration on external non-Ellsworth websites), or used to conduct social, causal or other non-business related purposes. Continued usage of the systems for personal use beyond an acceptable usage rate determined by Ellsworth Management or dissemination or use of an employee's Email address for non-business purposes, may result in disciplinary action, up to and including termination of employment.

Ellsworth has the right to inspect, examine, review, and monitor the use of its voicemail, email, networks, and telephone systems and to retrieve and review any message composed, sent or received, with or without prior notice. Messages that are deleted or erased are still possible to recreate, therefore, absolute privacy of messages cannot and is not ensured. Accordingly, employees should consider the use of face-to-face communications or the use of outside telephone lines when absolute confidentiality is required. While voicemail and email may accommodate the use of passwords for security, confidentiality cannot be guaranteed.

Messages may not contain content that may reasonably be considered offensive or disruptive to any employee or to Ellsworth's business. Offensive or disruptive content may include, but is not limited to:

1. Messages of a personal nature;
2. Advertising or conducting personal business or personal enterprises or business related to an entity other than Ellsworth;
3. Soliciting; or,
4. Vulgar, profane, insulting or sexual comments or images, racial slurs, gender-specific comments or any comments that would offend someone on the basis of his or her race, age, sex, sexual orientation, religious or political beliefs, military service, national origin, disability or other reasons.

Employees learning of any misuse or that are subjected to misuse of the voicemail or Email system or in violation of this policy shall immediately notify the Personnel Committee.

Employees may not attempt to read, "hack" into other systems or other people's logins, or "crack" passwords, or breach computer or network measures, or monitor electronic files or communications of other employees, customers, or third parties, except by explicit written permission by the Personnel Committee. No voicemail, email or other electronic communications may be sent which attempts to hide the identity of the sender, or represent the sender as someone else. Ellsworth employees who obtain electronic access to non-Ellsworth materials must respect all copyrights and may not copy, retrieve, modify or forward copyrighted materials except as permitted by the copyright owner or law.

Section VII. Drug & Alcohol Policy

Section 7.01 Drug & Alcohol Policy

It is the intent of Ellsworth to provide a working environment free from the use of non-prescribed drugs and alcohol. Given the potential hazards to the safety of fellow employees and others and the potential exposure of liability caused by employees who use or abuse controlled substances or alcohol, Ellsworth has adopted the following policy.

The following activities are prohibited on Ellsworth property, during working hours, or in Ellsworth vehicles:

- The sale, manufacture, distribution, purchase, transfer, use or possession of, or reporting to work or working while impaired by intoxicants, non-prescribed narcotics, hallucinogenic drugs, marijuana, or other illegal drugs or non-prescribed prescription drugs.
- The distribution, sale, purchase or use, or possession of equipment, products, and materials that are used, intended for use, or designed for use with intoxicants, illegal drugs, and non-prescribed drugs.
- Reporting to or being at work with a measurable quantity of intoxicants, non-prescribed narcotics, hallucinogenic drugs, marijuana, or other illegal drugs or non-prescribed prescription drugs in blood or urine.
- Reporting to or being at work with a measurable quantity of prescribed drugs where, in the opinion of Ellsworth, such use prevents you from performing the duties of the employee's job or poses a risk to the employee's safety or the safety of other persons or property.

Where not prohibited by law, employees may be requested to undergo a blood test, urinalysis, Breathalyzer test, or other diagnostic test under any of the following circumstances:

1. Where Ellsworth has reason to believe you are impaired by intoxicants, non-prescribed drugs, or narcotics while on Ellsworth property or during working hours, or that you have reported to work with a measurable quantity of intoxicants, non-prescribed drugs, or narcotics in blood or urine. The following circumstances could cause reasonable suspicion:
 - Observed substance abuse
 - Apparent physical state of impairment
 - Incoherent mental state
 - Abnormal conduct or erratic behavior
 - A report of substance abuse from a reliable and credible source
 - Arrest or conviction for a drug-related offense, or identification of an employee as the focus of a criminal investigation into illegal drug possession, use, or trafficking.

2. Where you are involved in an on-the-job accident
3. After any unusual event that Ellsworth believes may indicate a violation of this policy.
4. Involvement in an accident while in the scope and course of employment while operating an Ellsworth vehicle, or operating a private vehicle in the performance of normal business duties at the time of an accident.

Any employee may be tested for drug and alcohol on a random and periodic basis from the entire employee pool in accordance with state and federal laws.

Where Ellsworth has reason to believe you are under the influence of intoxicants, non-prescribed drugs, or narcotics, or are in the possession of any intoxicant, non-prescribed drugs, narcotics, or equipment, products and materials which are used, intended for use, or designed for use with non-prescribed controlled substances, you may be required, as a condition of employment, to submit to a search by an Ellsworth representative of your person and/or property, including but not limited to offices, desks, lockers, and storage areas.

An employee's refusal to submit immediately to a search of the employee's person or property or to a blood test, urinalysis, breathalyzer test, or other diagnostic test or a positive result on such test(s) indicating use of intoxicants, non-prescribed drugs, or narcotics may result in disciplinary action, up to and including termination of employment.

Violation of the Drug and Alcohol Policy may lead to disciplinary action, up to and including termination of employment. Where available evidence warrants, Ellsworth may bring matters of illegal drug or alcohol use to the attention of appropriate law enforcement authorities.

Any employee who tests positive for the first time and any employee who comes forward without incident and voluntarily admits having an alcohol and/or drug abuse problem and agrees to seek treatment and/or counseling with a certified substance abuse rehabilitation program, and signs an agreement not to abuse drugs and/or alcohol in their continued employment with Ellsworth will be granted up to ninety days of leave of absence according to applicable federal and state laws and/or Ellsworth policy regarding leaves of absence. Failure to successfully complete a certified substance abuse rehabilitation program can result in termination of employment.

The conviction of any employee under any criminal drug statute, or failure to notify Ellsworth, through it's Human Resource Manager, of any arrest and/or conviction under any criminal drug statute within five days after the arrest and/or conviction can be grounds for immediate termination of employment with Ellsworth.

Any testing facility being used by Ellsworth to conduct drug and alcohol screenings will be a facility that meets all of the legal requirements of the state of Louisiana and Federal laws for such testing and screening.

Compliance with this policy is a condition of employment and continued employment with Ellsworth. Ellsworth may consider an employee's conviction(s) and/or arrest(s) for alcohol or drug offenses of a criminal nature while employed by Ellsworth in evaluating an employee's continued employment with Ellsworth.

Illegal drugs include those controlled substances under federal or state law, which are not authorized for sale, possession, or use and legal drugs, which are obtained or distributed illegally.

The legal and proper use of controlled substances prescribed by a licensed physician is not prohibited provide it does not affect an employee's ability to perform the employee's work. If an employee is taking a prescription drug that may impair the employee's ability to perform the employee's job, the employee should notify his or her superior or the Personnel Committee regarding this prescription. If necessary and upon request, an employee shall furnish Ellsworth with the physician's statement regarding the possible/probable side effects of this medication. Abuse of prescription drugs resulting in performance deviation will be treated as substance abuse.

Due to variations of situations and a necessity to at times accommodate individual situations, the provisions of this policy or of any related policies, practices or guidelines may not apply to every employee in every situation. Ellsworth reserves the right to rescind, modify, or deviate from this policy, as it considers necessary in its sole discretion, without or without notice.

Section VIII. Discipline

Section 8.01 Standards of Behavior and Discipline

Ellsworth wants to ensure orderly operations and provide the best possible work environment for all of its employees. To do so, Ellsworth expects its employees to follow certain workplace standards that are intended to protect the interests and the safety of all employees and Ellsworth. As an employee of Ellsworth, it is incumbent to observe the highest standards of conduct at all times. Ellsworth trusts that its employees will act responsibly in conducting themselves while at the workplace and elsewhere. Ellsworth expects certain standards of behavior, including but not limited to:

- Reporting to work on time, as scheduled;
- Notifying supervisors of an absence from work or when an employee is unable to report to work on time;
- Learning the employee's job to the best of the employee's ability, and performing it accurately and efficiently;
- Following and respecting management's instructions concerning a job or related matter;
- Speaking to the appropriate person when an employee has an idea, suggestion, problem, or complaint;

- Providing Ellsworth customers and contractors with the highest level of customer service;
- Taking charge of the employee's own career growth and development by discussing and setting appropriate goals with the employee's supervisor;
- Complying with Ellsworth's policies and upholding Ellsworth's standard of workplace behavior and the policies of this Handbook;
- Refraining from behavior or conduct deemed offensive or undesirable or that could be subject to disciplinary action.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following list shows examples of infractions that may result in disciplinary action, up to and including termination of employment.

- Falsification of any Ellsworth document or record;
- Not following the rules of this Handbook;
- Failing to promptly notify the employee's supervisor when the employee will be late or absent from work;
- Leaving work during working hours without authorization from the employee's supervisor;
- Failing to immediately report to the employee's supervisor when the employee is injured or has witnessed an injury occurring in the workplace;
- Causing unsanitary or disorderly housekeeping conditions;
- Possession of, or use of firearms, knives, or other weapons while on Ellsworth property or while driving Ellsworth vehicles;
- Refusing or failing to fully carry out instructions or work assignments given by the employee's supervisor;
- Failing to perform work assignments efficiently and effectively;
- Failing to immediately report errors to the employee's supervisor;
- Operating equipment or computer systems that the employee has not been authorized or trained to use;
- Operating equipment without the proper safety equipment/apparel;
- Removing or applying to the employee's own uses any property, record, or document of Ellsworth or another employee;
- Interfering with, or causing others to interfere with office productivity;
- Sleeping, loitering, wasting time, or being away from the employee's workplace unnecessarily;
- Smoking in prohibited areas and at times not recognized by this Handbook;
- Distributing literature, printed materials, or posting notices or signs in the workplace during work time;
- Gambling or being present where gambling is in progress, possessing gambling devices or equipment while in the workplace;
- Reporting for work in a condition that appears inappropriate or that causes others to doubt the employee's readiness for work;
- Possessing or consuming any intoxicant or illegal substance or using a prescription medication in a non-prescribed manner while in the workplace or while operating an Ellsworth vehicle;

- Fighting or attempting to cause bodily injury to others;
- Using abusive or threatening verbal or body language towards anyone;
- Negligence, abuse, or deliberate destruction of Ellsworth property, or property of others while it is in the workplace;
- Improper or inappropriate use of Ellsworth's computer system, library facilities or other property in control of Ellsworth;
- Failing to adhere to the rules governing traffic, speed, and parking while driving a Ellsworth vehicle;
- Being arrested and/or convicted of a misdemeanor or felony crime;
- Causing or assisting in actions that will cause a monetary or non-monetary loss to Ellsworth, including theft;
- Failing to present for inspection any property, parcel, or container that is in the workplace when requested to do so by a supervisor or manager for a reasonable cause. This includes purses, pockets, desk drawers, backpacks, etc.

Disciplinary action will be taken after Ellsworth has considered the nature of the offense, the work history of the individual involved, and the facts concerning the offense. Discipline is discretionary and will be handled fairly and appropriately by Ellsworth management.

Conduct that interferes with business, brings discredit to Ellsworth, or is offensive to clients or co-workers, will not be tolerated and is grounds for disciplinary action, up to and including termination of employment.

Additional workplace standards and guidelines are discussed in other parts of this Handbook and a violation of those standards and policies can result in disciplinary action, up to and including termination of employment as well.

Section IX. Attendance, Leave & Vacation Policies

Section 9.01 Punctuality

To maintain a safe and productive environment, Ellsworth expects employees to be reliable and punctual in reporting for scheduled work. Employees should always report to work on time. A non-exempt employee should not be more than ten minutes late prior to their scheduled starting time nor should a non-exempt employee stay more than ten minutes after their scheduled stop time without prior authorization from their supervisor or the Personnel Committee. The ten-minute-rule should not be a habit or viewed as a normal operating procedure for reporting to or leaving from work.

Absenteeism and tardiness is not acceptable. Poor attendance, excessive tardiness, or misuse of the ten-minute-rule are disruptive and may lead to disciplinary action, up to and including termination of employment.

If an employee is going to be later than ten minutes, or absent for the day, the employee must notify the receptionist or his or her supervisor at the earliest

knowledge of this tardiness or absence. Failure to timely notify Ellsworth of an absence or tardiness will result in discipline up to and including termination.

Section 9.02 Absences

Every employee is an important part of Ellsworth and its services. An employee's absence causes additional burden on fellow employees. It is an employee's responsibility to alert Ellsworth of any unavoidable absences, as soon as the office opens or earlier on the day the absence occurs. Notifying the receptionist in this situation is compliant with this policy. If an employee is unable to notify Ellsworth, the employee should have someone do such for him or her.

At times it may be necessary for an employee to be absent from work due to personal reasons/business that cannot be conducted during any other time besides regular office hours. When such absences are necessary, the employee must receive advance permission from their supervisor or Personnel Committee. Reasonable time off may be approved and will be decided on a case-by-case basis based on justification and need.

Section 9.03 Excessive Absences

Absences which are neither supported in writing by a healthcare provider nor authorized by the employee's supervisor will result in discipline up to and including termination should the absences amount to more than four days in one month or two or more days per month for three consecutive months or six or more days in six months.

Section 9.04 Office Hours

Ellsworth's office will be open from 8:00 a.m. to 4:30 p.m. Employees are expected to be present during open office hours. Employees will be permitted one hour for lunch. Ellsworth's regular lunch period is from 12:00 p.m. to 1:00 p.m., however certain employees may be requested or required to take a lunch break at alternatively schedule times.

It is seldom that office hours are changed, but occasionally it becomes necessary, because of inclement weather or other emergency conditions, to close the office. When such conditions occur, an announcement will be made to the supervisor if the office is to close early, or if the office is to be closed all day; you may obtain information by calling your supervisor. It is your responsibility to make every effort to determine if the office will be open. Should you be absent due to inclement weather for a full day and the office is open, you have the option of being charged with a day of vacation or not being paid for that day. If you are absent for part of the day due to transportation problems or poor driving conditions arising out of the inclement weather, you will be paid for the full day.

Section 9.05 No Show, No Call

Employees who miss three consecutive days of work without providing notification of the employee's absence to Ellsworth will be considered to have resigned their position with Ellsworth.

If an employee does not present himself or herself to Ellsworth available and fit for duty at the end of the specified leave, or, within three working days of the end of the specified leave, such employee will be terminated from employment under this policy. An exception to this policy for Military leave will be governed by USERRA and related regulations. He or she must re-apply for employment in order to be considered for further duty.

Section 9.06 Military Leave

Military personnel, including National Guard, Reserves and Coast Guard, are permitted leave in accordance with the Uniformed Soldiers Employment and Re-Employment Rights Act of 1994 and Veterans Benefits Improvement Act of 2004 and any other applicable Federal and state law. Employees applying for military leave of absence are required to provide written notice to the employee's supervisor and the Personnel Committee, unless prohibited or impossible based on military security consistent with USERRA.

Ellsworth understanding and appreciates the sacrifices our Military members make for our Country. In light of this, and to show appreciation of an Employee-Military member's sacrifice to ensure our freedoms, Ellsworth will, as an act of civic duty and generosity, permit Employee-Military personnel up to 2 weeks of leave with pay, less amounts received from the Military, to perform "active duty" in the Reserves. Additional time away from the workplace for "active duty" will not be compensated. Ellsworth will comply with all requirements of USERRA with respect to all other benefits entitled to the Employee-Military personnel.

Section 9.07 Personal Leave

Personal Leave is granted to Ellsworth Employees intended to provide personal time off from work for handling situations not covered by other time off policies.

The Ellsworth Personal Leave consists of the following:

- Seven (7) personal leave days each calendar year upon hire.
- Employees may take personal leave days in increments of a half-day or more.
- Personal leave days are not cumulative.
- Employees have no vested interest in personal leave days.
- Employees will not and may not request pay in lieu of personal leave.
- Optional Personal Leave Days:

- Up to ten (10) optional personal leave days, annually, may be requested by submitting a written request to your Supervisor and approved by the Personnel Committee.
- The written request submitted to your Supervisor must specify the number of days needed and outline the reason(s) for the request.
- Personal Leave and Vacation Leave must be taken prior to requesting optional Personal Leave Days.

Examples of personal time off include (but are not limited to):

- Care for a sick child
- Respond to the medical needs of immediate family members
- Travel to a medical appointment
- Manage critical home repairs
- Extended time for personal needs other than medical

Personal Leave Reporting Procedure:

- At the earliest opportunity, employees requesting personal leave are to advise:
 - The receptionist
 - The employee's supervisor
 - The employee must record personal leave time taken on their Time Off Spreadsheet

If an employee is leaving the office during the day the employee must notify his or her supervisor and the receptionist of the time of departure. Employees should also notify co-workers that may be dependent on the employee's work for that day and the receptionist that he or she is leaving the office if at all possible.

If an employee is out of the office for two hours or less, the employee is allowed to make up the absent time. Make up time must be done in increments of thirty minutes or more and must be completed within one pay period from the date of the employee's absence. Make up information must be submitted in writing to the Personnel Committee or their designated representative as soon as the time is made up. Should make up not occur or written submission not be provided, the employee's absent time will be deducted from the employee's personal leave.

Employees that exceed seven personal days of absence within a calendar year will not be paid for any absence beyond the seven allotted days unless they have exercised and complied with the banking option outlined above. An employee may use his or her vacation time for the exceeded absences in one half day increments only.

Should an employee not accrue enough personal leave, vacation time, banked time or other paid time off, the employee may seek a leave of absence without pay under the Family and Medical Leave Act (see Family and Medical Leave Act for qualifications and policies governing this leave) provided the employee has remaining leave time available under FMLA and the leave being sought qualifies for leave permissible under the FMLA.

Leave under FMLA must be taken concurrently with any available personal leave.

Section 9.08 Family and Medical Leave Act

Ellsworth values the health and well-being of all of its employees and their immediate family members and as such, has adopted the Family and Medical Leave Act as Ellsworth's policy for family and medical leave. Therefore, some employees may be entitled to a leave of absence for an illness or illness of a family member under this policy. In accordance with the Family and Medical Leave Act of 1993, Ellsworth's policy is to grant up to 12 weeks of unpaid family and medical leave (or more should you be a returning military service member or caring for a returning military member) during a "rolling" 12-month period to eligible employees. Ellsworth will measure the "rolling" 12-month period as a backward rolling 12-month period measured from the date an employee begins leave under the policy.

Following an FMLA leave, employees will be returned to their former jobs or a comparable job with comparable status, pay, benefits, and other terms of employment as provided by law.

In order to be eligible for FLMA leave under this policy, you must meet the following conditions:

1. You must have worked for Ellsworth at least 12 months or 52 weeks; and,
2. You must have worked at least 1,250 hours during the 12-month period immediately prior to the date the leave begins.

In order to qualify for a FMLA leave under this policy, you must be taking leave for one of the following reasons:

- To care for a child after birth or adoption;
- Placement of a foster child in your home;
- To care for a seriously ill, close family member such as your spouse, child or parent; or
- To care for yourself, if you are seriously ill.

You are expected to request leave from your supervisor and the Personnel Committee as soon as you learn of your need to take such a leave. No more than 30 days notice is required by law. Employees, where the necessity for leave is foreseeable, must provide Ellsworth with 30 days advance written notice of a request for leave. Failure to provide immediate notice for unforeseen leave may result in denial or delay of the granting of leave.

Eligible employees requesting leave must complete an Application for Family/Medical Leave (Continuous Leave) or Application for Family and Medical Leave (Intermittent or Reduced Leave). The employee should then present the appropriate Application to the Personnel Committee and be prepared, if necessary, to

explain further the need/basis for the requested leave and/or provide appropriate documentation.

Any requested leave based on a serious health condition must be supported by appropriate medical certification. *See* Ellsworth's "Certificate of Physician or Practitioner." It must be completed by the employee's physician or health care provider and submitted within 15 days of the requested leave. Failure to provide the required medical certification may result in a denial of all privileges and benefits under this policy.

Ellsworth has and reserves the right to request a second opinion at its expense. Where a dispute or conflict exists between opinions, a third opinion will determine the appropriateness of leave.

Recertification will be required for requested extensions of medical leave, absences that exceed thirty days, and other appropriate circumstances.

You may take FMLA leave in 12 consecutive weeks or you may use the leave at different intervals during the year. Under certain conditions, you may use the leave to reduce your workweek or workday. In all cases, the leave may not exceed a total of 12 weeks, or 60 days, over a rolling 12-month period. Leave taken for the birth, adoption, or placement of a child must be concluded within 12 months of the date of birth, adoption or placement. Should you be caring for a close family member (spouse, son, daughter, parent or next of kin) returning from military service that was injured while on active military duty, the leave may not exceed a total of 26 weeks, or 130 days over a rolling 12-month period.

If you and your spouse are both employed by Ellsworth, you are limited to a total of 12 weeks of family leave for the birth, adoption, or placement of a child. If the leave is requested for care of a sick child, the other spouse, or a sick parent, each employee is entitled to 12 weeks of leave.

Reduced work schedules or periodic time off from work may be allowed. Appropriate medical certification will be required where the request arises out of a serious health condition. Employees should make reasonable efforts to schedule planned medical treatments so as not to unduly disrupt Ellsworth operations, and Ellsworth otherwise reserves the right to request rescheduling of such treatment if appropriate. Ellsworth, moreover, reserves the right to temporarily transfer the employee to a comparable position that better accommodates the employee's recurring periods of leave in order to undergo treatment. Any time off based on a reduced work schedule or intermittent leave will be counted against the amount of available FMLA leave as permitted by law.

An employee is required to exhaust all available sick leave concurrently with leave available under FMLA. Should the employee's sick leave not amount to enough to cover the permissible 12 or 26 weeks of leave under FMLA, the employee is required to exhaust all available vacation leave, short-term disability, and other available paid time off concurrently, as part of, or all of, the remaining portion of the 12 or 26 week periods under FMLA. Should there remain time available under the 12 or 26 weeks of leave under FMLA for which sick leave, vacation leave, short-term disability time and

other available paid time off does not suffice to cover the 12 or 26 weeks of leave, the remainder of the leave must be taken without pay.

All Ellsworth benefits will continue during the family or medical leave; however, employees on unpaid status will be required to pay their portion of their medical and other benefit deductions monthly by personal check or money order. Ellsworth will comply with all state and Federal law provisions to provide benefits to employees. Employees returning to work from a FMLA leave for their own serious health condition will be required to provide a release from their physician or other medical provider that they are able to return to work prior to their actual return.

Employees (except for certain highly compensated employees) returning from FMLA will, if possible, be reinstated to the same or an equivalent position upon his or her proposed return to work date, except that the employee will not be entitled to any employment rights or benefits greater than those he or she would have had in the absence of taking such leave.

Salaried employees who are among the highest paid ten percent of all Ellsworth employees within a 75-mile radius may be denied reinstatement where reinstatement would result in substantial and grievous economic injury to Ellsworth. Ellsworth will notify anyone who falls into this category at the time leave is requested/granted.

Ellsworth will not discriminate against any employee seeking to qualify for leave or access leave under the FMLA, nor will Ellsworth retaliate against any employee seeking to qualify for leave, return from leave or seek redress under FMLA.

Section 9.09 Extensions of Leave and Termination

Ellsworth Corporation will consider granting employees up to another 2-3 months of leave beyond the authorized above for FMLA leave. However, under few, if any, circumstances will an employee be granted more than six months leave without pay given the hardship imposed on Ellsworth Corporation and its other employees for the following reasons:

- Ellsworth is a business;
- Jobs cannot be held open indefinitely; and
- Ellsworth must replace employees in order to satisfy customer demands and employee morale, and cannot easily, fairly or morally discharge current employees in order to return an injured or ill employee to work.

Section 9.10 Vacation Leave

Vacation Leave is provided by Ellsworth to all full-time employees. Vacation leave is intended to give the employee needed respite and time away from the requirements and demands of their position at Ellsworth.

The Ellsworth Vacation Leave benefit consists of the following:

- Vacation leave is a vested benefit of Ellsworth employees.
- New employees may use vacation leave after one month service.
- Vacation is earned and applicable in the year attained.
- All earned days must be used prior to the end of the year, December 31.
- Employees who have accrued 3 or more weeks of vacation must take at least five (5) consecutive days at one prior to June 30th.
- Vacation requests must be made in writing to the employee's supervisor and a member of the Personnel Committee or their designated representative.
- Vacation time cannot be transferred to another employee.
- Upon termination of employment (based on resignation, involuntary termination or death) an employee or the employee's succession/estate will be paid at the employee's base hourly rate for each unused accrued vacation hour.

Vacation accrues for full time employees as follows:

- Upon hire a full time employee is entitled to 2 weeks of vacation annually;
- After five years of service an employee is entitled to 3 weeks of vacation annually;
- After ten years of service an employee is entitled to 4 weeks of vacation annually.
- Vacation is based on a calendar year

Vacation Leave Reporting Procedure:

- Employees requesting vacation leave are to advise:
 - The receptionist
 - The employee's supervisor
 - The employee's co-workers
- The employee must record vacation leave time taken or to be taken on their Time Off Spreadsheet.
- The following requests for vacation leave require the employee to provide at least a two (2) week advance written notice:
 - Two (2) or more vacation days consecutively, including "book-ending" a weekend (i.e. Friday and the following Monday).

Should a conflict arise where there are too many employees seeking the same vacation dates, or several employees who may not be out at the same time are seeking the same vacation dates, the employee with the most seniority will be provided the requested time off. This seniority privilege will be valid only until April 1 of each year. After April 1, priorities will be established on a "first-come, first serve" basis.

Vacation requests must be made in writing to the employee's supervisor and a member of the Personnel Committee or their designated representative.

Section 9.11 Holidays

Ellsworth provides the following holidays as paid holidays for full-time and part-time employees:

- New Years Day
- Mardi Gras
- Good Friday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Day after Thanksgiving
- Christmas Eve
- Christmas Day
- New Years Eve
- Floating Birthday Day

When a "holiday", as defined by this section, falls on a day when Ellsworth's office is regularly scheduled to be closed (such as a Saturday or Sunday), it will be the discretion of Ellsworth's Personnel Committee whether any adjustments to provide an additional day off for such holiday will be granted. Should an adjustment be granted, the remainder of this section's policies will remain applicable.

If you are regularly scheduled to work less than 40 hours per week and a holiday falls on your regularly scheduled day of work, you will receive holiday pay for that day, based on your regularly scheduled hours.

*Employee's may take their birthday off or a day within a two week period of their birthday. This day will be treated as a paid holiday. Should an employee not use this holiday day during the two week period of their birthday the holiday day will be forfeited. Employees have no vested interest in this holiday and will not be paid in lieu of taking or forfeiting the employee's birthday holiday.

Section 9.12 Bereavement Leave

In the event of a death in the family, Ellsworth provides employees with paid bereavement leave, which is separate from vacation or any other leave. At the discretion of the employee's supervisor and the Personnel Committee, an employee may take up to three days of paid leave upon the death of a member of your immediate family or household prorated based on the employee's regularly scheduled hours. Your immediate family includes: spouse, life partner, mother, father, wife, husband, child, brother, sister, grandchild, grandparent, father-in-law, mother-in-law, sister-in-law, and brother-in-law.

Ellsworth realizes that certain extenuating circumstances may require additional bereavement time away from work. Should additional days be necessary and granted,

it will be at the discretion of Ellsworth to pay an employee's prorated hours for those additional days. If an employee believes that additional time is necessary, please discuss this with the Personnel Committee or its designated representative. Ellsworth may request proof of the employee's relationship in order to grant paid bereavement leave.

Section 9.13 Jury Duty and Subpoenaed Witness

Ellsworth encourages and supports employee participation when an employee is summoned to serve as a juror or subpoenaed as a witness. Employees must notify their immediate supervisor and the Personnel Committee upon receiving a jury summons or subpoena. Employees acting as a defendant, plaintiff or intervener in a lawsuit or other legal proceeding are not covered under this policy.

To help an employee participate in jury duty, Ellsworth will pay the employee's regular day's pay for jury duty. However, the employee will be required to reimburse Ellsworth for any jury duty fees that are paid to the employee for their attendance.

To qualify for this benefit, the employee must submit a copy of the jury summons before attending, and, upon return to work include written proof that the employee served as a jury member or was retained for jury duty.

While jury duty is an important civic duty, Ellsworth may have to request the employee's release from duty in certain limited circumstances where there would be a major disruption of workflow due to the employee's absence.

Should an employee be called as a witness in a legal proceeding, Ellsworth will permit the employee time off to attend the legal proceeding during the day in which the employee is needed as a witness as long as the employee has been subpoenaed. Employees will not be paid for their time away from work to attend any legal proceedings as a witness voluntarily. However, employees will not be required to use vacation time, sick leave or any other available paid time off the employee may have accrued.

An employee must request a subpoena from the party requesting him or her to be a witness in the legal proceeding. The employee must present the subpoena to the Personnel Committee at least two weeks prior to the scheduled date he or she is required to act as a witness in the legal proceeding. Upon return to work, the employee must present a notice from the court, arbitrator, or tribunal of attendance at the legal proceeding.

Failure to provide the subpoena two weeks prior to the scheduled date and/or failure to provide a notice of attendance as a witness upon return to work will result in use of vacation or other accrued paid time off for the employee's absence to be a witness in the legal proceeding.

An employee must return immediately to work upon completion of jury duty or being called as a witness.

Section X. Compensation

Section 10.01 Timekeeping

Accurately recording time worked is the responsibility of every employee. All employees, except exempt employees, must use a time card and/or time sheet depending on the then current payroll system. Federal and state laws require Ellsworth to maintain accurate records of time worked in order to accurately calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Altering, falsifying, tampering with time records, or recording time on another employee's time card and/or time sheet may result in disciplinary action, up to and including termination of employment.

Section 10.02 Employee Break Periods

Non-exempt employees working an eight (7.5) hours workday must take a minimum of a 1 hour lunch break, as well as two (2) 15-minute breaks during the workday. Supervisors will advise employees when their break periods and lunch period will occur. Supervisors are responsible for ensuring that employees take the lunch period and both breaks. Employees working less than an eight (7.5) hour workday will be allotted break and lunch periods by their supervisor proportionate to the amount of hours worked.

Lunch periods should not be taken at the employee's desk or workstation. Breaks and lunch periods cannot be combined, nor can they be taken prior to the commencing workday, or at the end of the workday. Breaks and lunch periods cannot be used to leave early or come in late.

Section 10.03 Overtime

Employees may occasionally work more than 40 hours a week. Time worked over 40 hours in one workweek is deemed overtime. Employees classified as non-exempt employees will receive overtime pay of one and one-half (1.5) times the employee's regular base rate of pay. Holidays, vacation and other days for which employees are paid but not actively at work are not considered "hours worked" for overtime calculations.

Exempt employees do not receive overtime compensation.

An employee's supervisor or the Personnel Committee, prior to working additional hours above 40 hours per workweek, must approve all overtime. Failure to receive prior approval will not eliminate Ellsworth's legal requirements to pay overtime, but may result in disciplinary action, up to and including termination of employment.

Section 10.04 Payday

Employees are paid semimonthly on the 15th and last day of the month. Each paycheck will include earnings for all work performed through the current pay period.

When a regularly scheduled payday is on a weekend or holiday, employees will be paid on the business day prior to the regularly scheduled payday.

Section 10.05 Payroll Information

Direct Deposit transfers are completed the day before a payday, with access to funds on pay day. Paper checks are hand delivered on payday.

Section 10.06 Pay Increases

Pay increases are based on multiple factors, including an employee's annual job performance, attendance, and other legally permissible factors.

Section 10.07 Business Expenses

Business related expenses are to be submitted in writing to your manager for approval.

Section XI. Benefits

Section 11.01 Summary of Benefits

Ellsworth provides certain financial protections to its employees, including comprehensive benefit packages that may contain major medical and life insurance coverage, as well as long-term disability insurance. Employees should consult with the Personnel Committee to determine what benefits are available to them.

Section 11.02 Medical Insurance

The Ellsworth health insurance plan provides employees and their dependents access to medical insurance benefits. Regular full-time employees are eligible to participate in the health insurance plan. Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Ellsworth and the insurance carrier.

A change in employment classification that would result in the loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA) and/or the Health Insurance Portability and Accountability Act (HIPAA).

Details of the health insurance plan are described in the Summary Plan Description (SPD) available from the Personnel Committee. A SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees.

Eligible employees, who are not eligible for new employee status, may apply for the health insurance program and any of the other plans only during the open enrollment period for the appropriate program to be tax deferred. New employees have a limited time to apply for appropriate insurance benefit plans.

Section 11.03 Prescription Drug Program

Ellsworth will make every effort to ensure that health insurance plans made available to full time employees will contain a prescription drug program.

Section 11.04 Benefit Continuation

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Ellsworth's health program when "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation; termination of employment (if other than for gross misconduct); death of an employee; a reduction in an employee's hours or an authorized leave of absence (LOA); an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at a predetermined group rate plus an administrative fee. Ellsworth provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Ellsworth's health insurance program. The notice contains important information about the employee's rights and obligations.

Under federal law, if you lose your group coverage, you may be eligible for coverage through the Health Insurance Portability Accountability Act (HIPAA) and/or COBRA.

Section 11.05 Life Insurance

Ellsworth will provide each full time employee with life and accidental death and dismemberment insurance equal to that of the employee's annual salary with a maximum of \$150,000 at no cost to the employee.

Section 11.06 Long Term Disability

Ellsworth offers a Long Term Disability plan to full time employees in the event of temporary or permanent disablement.

Section 11.07 Structured Retirement Benefits

Ellsworth has established a company 401(k) plan, consistent with federal law and regulations governing such plan. Employees will be able to share in its growth and prepare financially for their future through this program.

Employees are automatically enrolled as a participant of the plan on the first day of the month after the employee's initial employment with Ellsworth. Participation at the savings level is completely voluntary.

Section 11.08 Additional Benefits & Value Adds

Ellsworth enjoys the commitment of its employees to the success of its services to its clients. In an effort to show its appreciation to employees and to create a welcoming environment for all employees, Ellsworth will continue to provide employees with monthly massage sessions, company lunches and rainy day lunches. Employees will receive a fifty percent commission on the employee's personal insurance that is placed with Ellsworth. These programs may be altered, terminated, changed, or substituted at the discretion of Ellsworth.

Ellsworth also has an Employee Assistance Program (EAP) through Lincoln Financial Group which provides support for issues including: stress, anxiety, depression, family and marital issues, drug and alcohol issues, legal issues, financial questions and issues, dependent and adult care services.

Section XII. Employee Development

Section 12.01 Performance Evaluations

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations and scheduled reviews may be conducted according to Ellsworth's performance evaluation policies to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches to meeting goals.

Section 12.02 Education Advancements

In any industry it is essential to have a thorough working knowledge of what your business does and the product you sell. To assure we will always be on the cutting edge of our business, we are encouraging all Ellsworth Corporation employees to continue their insurance education. Effective January 1, 2011 any employee receiving a designation after completion of the course will receive an incentive as follows:

Designation:	Time Allowed To Complete:	Successful Completion Incentive:
CISR	2 Years	\$ 500
CIC	5 Years	\$2,000
CRIS	2 Years	\$1,000
ARM	3 Years	\$1,000
AMIM	3 Years	\$1,000
AIC	3 Years	\$1,000
AFSB	3 Years	\$1,000
CPCU	7 Years	\$4,000 plus expense paid for trip

Section 12.03 Employee Training and Meetings

Attendance at employee meetings and mandated training are considered a part of an employee's regular work responsibility. If employee meetings or mandated training sessions are held outside an employee's regular working hours, compensation is awarded in accordance with Ellsworth's pay procedures and FLSA requirements.

Acknowledge of Receipt of Ellsworth Corporation's Employee Handbook and Policies

The Ellsworth Corporation Employee Handbook and Policies ("Handbook") is an important document intended to help you become acquainted with Ellsworth. It contains a set of guidelines, procedures and policies which you should be aware. However, because of changes in the law and a shifting economy, the contents of this Handbook may be changed at any time at the sole discretion of Ellsworth, with or without notice to employees.

Please ensure to take time to read thoroughly this Handbook. Please read the following statements and sign below to indicate your acknowledgement of receipt of the Handbook via posted copy on your computer desktop.

- I have received a copy of the Ellsworth Corporation Employee Handbook and Policies. I acknowledge that I am to read and understand the provisions in this Handbook. I further acknowledge that if I have any questions regarding this Handbook, or other policies related to my employment with Ellsworth that I will contact my supervisor or the Personnel Committee (or its designated representative). I understand that the policies, rules and benefits discussed in this Handbook are subject to change at the sole discretion of Ellsworth at any time, for any reason, with or without notice to me. I understand that this Handbook and the policies described within supersede any previous Handbook that I may have been provided by Ellsworth prior to January 21, 2009.
- I further understand that my employment is terminable at will, either by myself or Ellsworth, for any reason, regardless of the length of my employment or the granting of benefits of any kind. I understand and acknowledge that the first 90 days of my employment with Ellsworth is considered an introductory period and, as such, is a period of time for both Ellsworth and me to determine my suitability for the job for which I was hired. My completion of the introductory period does not change my status of an at will employee.
- I acknowledge that through this Handbook, I have received a copy of Ellsworth's Drug and Alcohol Policy and that I have read and understand it. I understand that if my performance or other factors indicate it is necessary, I will submit to a drug test. I also understand that failure to comply with a drug testing request or a positive drug test result may lead to termination of my employment with Ellsworth.
- I acknowledge that through this Handbook, I have received a copy of Ellsworth's Technology Usage Policy and that I have read and understand it. I understand that it is my duty to abide by this policy and failure to do so will result in disciplinary action, up to and including termination of employment. I further understand that any communications, documents or other data stored, accessed, created or viewed on Ellsworth Technology by me is not subject to an expectation of privacy and may be reviewed, copied, deleted, or stored by Ellsworth.
- I acknowledge that through this Handbook, I have received a copy of Ellsworth's EEO policy, Anti-discrimination, Anti-Harassment and Anti-

Retaliation policy. I understand that Ellsworth strictly adheres to a workplace free from discrimination, harassment and retaliation. I understand it is my duty to abide by this policy and failure to do so will result in disciplinary action, up to and including termination of employment.

I understand that my signature below indicates that I have read and understand the above statements and have received a copy of the Ellsworth Employee Handbook and Policies via a copy placed on the desktop of my computer.

Employee's Signature:

Date: _____

Employee's Printed

Name: _____

I, _____, a member of the Ellsworth Personnel Committee (or duly authorized representative of the Committee) acknowledges that _____ has received an Ellsworth Employee Handbook and Policies and has signed the above Acknowledgement of Receipt in my presence this _____ day of _____, 20____.

Ellsworth Personnel Committee

Signature: _____

Ed. 02/2015