



**Professional Group Plans**

*Specializing in  
Employee Benefits*

# **EMPLOYEE HANDBOOK**

Dear Employee,

On behalf of your colleagues, I wish you every success here.

We believe each employee contributes directly to PGP's growth and success, and hope you will take pride in being a member of our team.

This handbook was developed to describe some of the expectations for our employees and to outline the policies, programs and benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible for it will answer many questions about employment with PGP.

We hope your experience here will be challenging, enjoyable and rewarding.

Stephen M. Louro  
CEO

## OVERVIEW

This handbook is designed to acquaint you with Professional Group Plans, Inc. (herein referred to as “PGP” or the “Company”) and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by PGP to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth, and ensure all company-wide policies are applied fairly and consistently to all employees

No employee handbook can anticipate every circumstance or question about policy. As PGP continues to grow, the Company reserves the right to revise, supplement or rescind any policies or portion of the handbook from time to time, as it deems appropriate. Employees will, of course, be notified of such changes to the handbook as they occur.

Employment with PGP is voluntarily entered into, and the employee is free to resign at-will at any time, with or without cause. Similarly, PGP may terminate the employment relationship at-will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract of employment, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between PGP and any of its employees. The provisions of the handbook have been developed at the discretion of management and may be amended or canceled at any time, at PGP’s sole discretion. These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the President of PGP.

Where required by law, certain employees on commission shall receive a written document specifying the terms of their remuneration. Such document will not alter their at-will status.

## Table of Contents

<b>SECTION 1 - EMPLOYMENT PRACTICES .....</b>	<b>5</b>
1-1 Equal Employment Opportunity .....	5
1-2 Anti-Discrimination and Harassment.....	5
1-3 Substance Abuse .....	7
1-4 Safety.....	8
<b>SECTION 2 - BUSINESS ETHICS .....</b>	<b>9</b>
2-1. Ethics and Corporate Compliance .....	9
2-2. Confidentiality .....	10
2-3 Conflict Of Interest .....	11
2-4 Employee Rules of Conduct.....	12
2-5 Reporting Misconduct .....	13
2-6 Bullying and Respect in the Workplace .....	14
2-7 Outside Employment.....	15
2-8 Computer and Electronic Communications Systems .....	15
2-9 Handling On the Job Problems .....	16
2-10 Progressive Discipline .....	17
<b>SECTION 3 - PGP AND YOU.....</b>	<b>18</b>
3-1 Categories of Employment .....	18
3-2 Hours and Work Schedules.....	19
3-3 Attendance and Punctuality .....	19
3-4 Timekeeping .....	19
3-5 Personnel Records .....	20
3-6 Retention and Destruction of Employee Documents .....	20
3-7 Personnel Data Changes.....	21
3-8 Dress Code.....	21
3-9 Smoking .....	22
3-10 Inclement Weather.....	22
3-11 Use of Company Telephones, Company Provided or Personal Cellular Phones, Mail and Electronic Devices.....	22
3-13 Responsibility for Personal Belongings.....	23
3-14 Visitors in the Workplace (Please see update listed at the back of the handbook under PGP Office Policies.) .....	23
3-15 Media .....	24
3-16 No Solicitation and No Distribution Rule .....	24
3-17 References .....	24
3-18 Identification Problems .....	24
<b>SECTION 4 - COMPENSATION AND BENEFITS .....</b>	<b>25</b>
4-1 Pay Schedule and Deductions.....	25
4-2 Overtime.....	25
4-3 Benefits Summary .....	26
4-4 Holidays .....	26
4-5 Vacation Benefits.....	27
4-6 Sick Days .....	27
4-7 Dental/Medical Appointments .....	29
4-8 Family and Medical Leave .....	29
4-9 New Jersey Family Leave Act (NJFLA) .....	32
4-10 Jury Duty.....	33
4-11 Bereavement Leave.....	34
4-12 Military Leave Policy .....	34
4-13 Military Spouse Leave.....	34
4-14 Nursing Mothers.....	35
4-15 Blood Donation.....	35
4-16 Bone Marrow Donation .....	35
4-17 Short-Term Disability .....	35
4-18 Workers' Compensation Insurance .....	36
4-19 Unemployment Compensation .....	36
4-20 Social Security.....	36
4-21 COBRA Benefits .....	36
<b>SECTION 5 – PGP OFFICE POLICIES .....</b>	<b>37</b>

5-1 Physical Access .....	37
5-2 Visitors in the Workplace .....	37
5-3 Documents with PHI or HIPPA Sensitive Information.....	37
5-4 Computers.....	38
5-5 Personal Electronics .....	38
<b>SECTION 6 - LEAVING PGP.....</b>	<b>39</b>
6-1 Termination .....	39

## **SECTION 1 - EMPLOYMENT PRACTICES**

### **1-1 Equal Employment Opportunity**

PGP adheres to a policy of equal opportunity employment. Employees and applicants for employment will not be discriminated against on the basis of race, color, religion, age, gender, national origin, genetic information, sexual orientation, gender identity characteristics or expression, citizenship status, marital status, disability, veteran status, domestic violence status or any other legally protected status, in any employment decisions, including, but not limited to, recruitment, hiring, compensation, training, apprenticeship, promotion, demotion, transfer, layoff, termination, and any other term and condition of employment. All employment-related decisions are based solely on relevant criteria, including training, experience, education, qualifications, abilities, and suitability.

PGP is committed to administering all employment-related matters in accordance with the Company's policy of equal opportunity. It is expected that each employee will abide by the policies set forth in this Handbook.

### **1-2 Anti-Discrimination and Harassment**

PGP is committed to providing and maintaining a work environment free from all forms of harassment and discrimination.

Definitions:

(a) "Discrimination" includes conduct or comments directed towards any individual(s) based on that individual's race, color, religion, age, gender, national origin, sexual orientation, gender identity characteristics or expression, citizenship status, marital status, disability, veteran status or any other status protected by law or regulation, that affects or impacts a term or condition of that individual's employment.

(b) "Sexual harassment" is a form of discrimination and is specifically prohibited under PGP's policies. The Equal Employment Opportunity Commission (EEOC) has established guidelines particularly for sexual harassment, as a form of sexual discrimination under Title VII of the Civil Rights Act. Sexual harassment includes:

- submission to unwelcome sexual advances and other physical or verbal conduct that is made a term or condition of an individual's employment, such as demanding that an employee have a sexual relationship with a supervisor or manager in order for the employee to keep his/her job.
- conduct that interferes with an individual's work performance, or creates an intimidating, hostile, or offensive work environment, such as telling offensive jokes and engaging in offensive

behavior in the workplace.

(c) “Harassment” on the basis of any other protected characteristic is also a form of discrimination, and includes verbal or physical conduct that denigrates or shows hostility toward another because of his or her race, color, religion, age, gender, national origin, sexual orientation, gender identity characteristics or expression, citizenship status, marital status, disability, veteran status, or any other characteristic protected by law or regulation.

### **Complaint Procedure**

Any employee who suspects, observes, or experiences discriminatory or harassing actions by another PGP employee, member of management or anyone else should immediately notify his/her manager, the Office Manager or the COO, whether the employee is the victim or not, whether the offender is a member of management, coworker, vendor, or business invitee, and regardless of the sex of the offender.

The report can be made either in person, via email or thru the Employee Complaint-Concern Form located on the company’s “P Drive”. The complaint form is a fillable PDF form that can be filled out and emailed over to HR, but if you do wish to file a complaint or concern anonymously, please fill out the form, print it and scan it to [HR@pgpbenefits.com](mailto:HR@pgpbenefits.com). The address is on all copy machines as Human Resources.

PGP will promptly investigate and appropriately address the situation, and employees can be confident that they may raise concerns without fear of reprisal. Anyone found to be engaging in any type of discriminatory behavior will be subject to disciplinary action, up to and including termination of employment.

### **Retaliation**

Neither PGP nor its management will in any way retaliate against an individual who raises a good faith complaint alleging harassment or discrimination, or cooperates in any investigation. Retaliation is a serious violation of policy and will subject any employee who engages in retaliatory behavior to the same strict discipline as the harasser.

To the extent practical and appropriate, complaints of harassment or discrimination and the subsequent investigations will be treated as discreetly as possible. All investigations will be promptly handled, and are designed to protect the privacy of, and minimize suspicion toward, all parties concerned. Employee cooperation in investigations is viewed as a condition of employment. Refusal or failure to cooperate with any aspect of this policy may result in disciplinary action, up to and including termination of employment.

Allegations that are substantiated will result in appropriate disciplinary actions against the harasser, up to and including termination of employment. Likewise, employees who make a complaint under this policy in bad faith or without reasonable grounds for the complaint, may be subject to disciplinary action up to and including termination of employment.

### **Americans with Disabilities Act**

PGP abides by the requirements of the Americans with Disabilities Act and their state and local counterparts governing employment of individuals with disabilities. PGP will make

reasonable accommodations for qualified individuals with known disabilities, unless doing so results in an undue hardship to the Company. This policy applies to all aspects of employment, including job selection, job assignment, compensation, discipline, termination, and access to benefits and training.

### **1-3 Substance Abuse**

PGP is committed to maintaining safe, healthy, and efficient working conditions for its employees and for protecting the safety and security of its facilities and employees. The Company strives to establish and maintain a work environment free from the negative impacts of alcohol and drug abuse.

Being under the influence of alcohol or any other drug, legal or illegal, while on Company property or while conducting Company business may pose a serious safety and/or health risk to the user and/or other employees. With this in mind, PGP strictly prohibits the distribution, use, sale, purchase or possession of any “controlled or illegal substance” while on PGP property or while conducting PGP business. “Controlled or illegal substances” include, but are not limited to narcotics, drugs, or any other substance that may pose an unacceptable risk to safe, healthful, and efficient operations of the Company.

This also applies to the use of legal and prescribed medications that may impair an employee’s ability to work safely and efficiently.

Employees are encouraged to report instances to his/her manager, the Office Manager or the COO where alcohol on premises or while performing work. Employees will not be retaliated against for reporting a substance abuse incident.

### **Testing Based on Reasonable Suspicion**

When an employee’s speech, actions, or appearance leads a manager or the next level of management to reasonably suspect that the employee’s ability to perform his/her job safely and effectively has been impaired by drugs or alcohol, the employee may be sent for immediate testing to a Company designated medical clinic or lab, on Company time and at the Company’s expense. Employees who are asked to submit to a substance test will be asked to sign a consent release authorizing a Company designated medical clinic or lab to perform the test. Employees, who refuse to submit to a substance test, after reasonable suspicion exists, will be suspended without pay until testing takes place and may be subject to disciplinary action, up to and including termination of employment.

### **Right to Inspect**

PGP reserves the right to inspect Company property. There is no expectation of privacy in work areas and desks or with respect to any property provided by PGP. As such, they are subject to search at any time and for any reason, with or without prior notice. PGP also has the right to search packages, containers, or briefcases brought on Company property, as well as brought into Company vehicles.

Any illegal substances found on Company property will be turned over to the appropriate law enforcement agency and may also result in criminal prosecution. Employee cooperation in searches, inspections and investigations is viewed as a condition of employment. Refusal or failure to cooperate with any aspect of this policy may result in disciplinary action, up to and including termination of employment.

#### **1-4 Safety**

PGP encourages employees to present safety improvement ideas. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with anyone in management. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes, and all reports can be made without fear of reprisal.

Each employee is expected to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to their manager. Employees who violate safety standards, who cause hazardous or dangerous situations or who fail to report or, where appropriate, remedy such situations, may be subject to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify his/her Manager or the Office Manager so a written report can be filed within 24 hours of the incident. Such reports are necessary to comply with Workers' Compensation and OSHA laws.

#### **1-5 Workplace Violence Prevention**

PGP is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, PGP has adopted the following guidelines to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises. All employees should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited on the premises of PGP.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's race, color, religion, age, gender, national origin, sexual orientation, gender identity characteristics or expression, citizenship status, marital status, disability, or veteran status or any characteristic protected by federal, state, local law or regulation.

All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to an employee's manager, the Office Manager or the COO, This includes threats by employees, as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, employees should report the issue to a manager and be as specific and as detailed as possible.



The report can be made either in person, via email or thru the Employee Complaint-Concern Form located on the company's "P Drive". The complaint form is a fillable PDF form that can be filled out and emailed over to HR, but if you do wish to file a complaint or concern anonymously, please fill out the form, print it and scan it to [HR@pgpbenefits.com](mailto:HR@pgpbenefits.com). The address is on all copy machines as Human Resources.

PGP will promptly and thoroughly investigate all reports of threats of (or actual) violence and of suspicious individuals or activities. The identity of the individual making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, PGP may suspend employees, either with or without pay, pending investigation.

Anyone determined to be responsible for threats of (or actual) violence or other conduct that is in violation of these guidelines will be subject to prompt disciplinary action, up to and including termination of employment. If necessary, the local authorities will be notified.

PGP encourages employees to bring their disputes or differences with other employees to the attention of his/her manager or any other manager, or to the COO before the situation escalates into potential violence. PGP is eager to assist in the resolution of employee disputes, and will not retaliate against employees for raising such concerns.

## **SECTION 2 - BUSINESS ETHICS**

### **2-1. Ethics and Corporate Compliance**

PGP wants our employees to maintain the highest standards of business ethics and to comply with the letter and spirit of all applicable laws. PGP believes that it has earned a reputation for honesty, integrity, and compliance with the law, which has enabled us to build excellent relationships with our customers, suppliers, shareholders, and members of the public.

Unlawful or unethical actions by employees can be costly to the Company and result in the loss of the excellent reputation it has earned. Therefore, it is the policy of PGP that employees and all other representatives of the Company shall not participate in or condone any activity that is detrimental to the goals of the Company. All employees must understand that certain books and records are PGP's property, including manuals, lists, and other information used in the performance of daily duties, and should not be copied and/or removed from Company premises. Employees must promptly report any suspected unlawful work-related activity to their manager or the next level of management.

In addition, employees must promptly report any suspected unlawful activity to their manager.

#### **Intellectual Property**

PGP respects the intellectual property of others, and PGP employees may not use or copy any copyrighted work without the approval of the copyright owner or its authorized agent. Generally, trademarks may be used as permitted by the license terms. When using PGP systems and equipment, PGP security policies and procedures must be followed. Only software that is properly licensed by PGP is permitted on PGP computers.

### **Fair Competition**

Professional Group Plans (PGP) competes fairly in the marketplace and conducts its business with integrity. Interactions must always be fair and in keeping with ethical business practices. Professional Group Plans (PGP) strictly adheres to all federal and state antitrust laws. Violation of these laws, regardless of intent, exposes Professional Group Plans (PGP), and individuals involved, to significant civil and criminal penalties, including fines and imprisonment. Similarly, PGP employees are expected to comply with all antitrust laws. Additionally, all forms of bribery are prohibited. Professional Group Plans (PGP) must comply with all applicable anti-corruption and anti-bribery laws. Similarly, PGP employees are expected to comply with such laws.

### **Insider Trading**

PGP employees must not buy, sell or trade in the securities of companies about which they have inside information, obtained as a result of their interaction with a Vendor/Carrier as a representative of Professional Group Plans (PGP), until that information becomes public. Material, non-public, or “inside”, information is information about a company that is not available to the public and which a reasonable investor would likely consider as important in deciding whether to buy, hold or sell a security. PGP employees are not permitted to provide inside information to others who may then trade on that information.

### **Interaction with the Government**

Any PGP employees who are authorized to act on behalf of Professional Group Plans (PGP) with any governmental body or federal or state regulatory agency must do so in a direct, open, respectful and ethical manner. No action may be taken that could mislead, directly or indirectly, any governmental representative. Additionally, PGP employees must know and comply with the terms of any applicable government contract. PGP employees shall comply with all reasonable requests of authorized officials and governmental agencies. This includes cooperating to provide access to records or facilities, as required by law or regulation. If a PGP employee is contacted in reference to a governmental inquiry, or at the start of any unscheduled audit, inquiry or document production request, the PGP employees should immediately contact his/her manager or any other manager, or to the COO.

## **2-2. Confidentiality**

The protection of confidential business information and trade secrets is vital to the interest and success of PGP. Such confidential information includes, but is not limited to the following items:

- New material research
- PGP business information
- Technological data
- Proprietary processes
- User names and passwords
- Inventions
- Trade secrets
- New products and product lines
- Formulas
- Marketing plans
- Pricing strategies and information

- Computer systems and programs
- Terms of agreement with suppliers or customers
- Financial data
- Business plans
- Budgets
- Forecasts
- Unpublished financial statements
- Licenses
- Customer information and preferences
- Supplier lists and budgets
- Software programs and other tangible property and specifications owned by PGP

Such confidential information has been created, discovered, and/or developed by PGP at considerable time and/or expense, or is information in which property rights have been assigned or otherwise conveyed to the Company.

Employees shall not disclose or discuss confidential information with anyone outside the Company without written permission of the CEO of PGP. Under no circumstances are confidential materials, documents, or other information to be removed from PGP's premises without the prior express permission of the CEO of PGP.

As a condition of employment with PGP, certain employees may be required to sign and abide by separate written agreements covering restrictive covenants that may include confidentiality, non-solicitation, and non-competition. Copies of such agreements will be provided to the employee and kept in the employee's personnel file. These documents are designed to safeguard PGP's proprietary information.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### **2-3 Conflict Of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative or friend as a result of PGP's business dealings. For purposes of this policy, a relative is a person who is related by blood or marriage or whose relationship with the employee is similar to that of persons who are related by blood or marriage. An action may constitute a conflict of interest without being in violation of any law, rule, or regulation.

The Company permits the employment of qualified relatives and "significant others" of employees as long as such does not, in the opinion of the Company, create actual or perceived conflicts of interest. Individuals who are related by blood or marriage, or who are in a significant relationship, are permitted to work in the same department, provided no direct reporting or supervisory/management relationship exists. That is, no

employees are permitted to work within the "chain of command" of a relative, or significant other. In particular, one's relative may not be involved in establishing, overseeing or influencing the work responsibilities, salary, or career progress of the other relative.

Employees may not solicit directly or indirectly for the employee's benefit or the benefit of another person, any gift, favor or other gratuity from a person or organization with which PGP does business or who seeks to do business with PGP. Employees should never accept *nor* offer any gratuity, gift, or favor that might be intended to influence a business decision or could create the appearance of bad taste. Employees may accept a meal, drink or entertainment in connection with business discussions only if these courtesies are infrequent and reasonable in value.

Business transactions should be handled within the spirit of good faith and business sense and should not involve or result in unusual gains, bribes, bonuses, special fringe benefits, unusual price breaks, or other windfalls designed to ultimately benefit PGP's employees, the employees of other businesses, or other contacts.

#### **Requirement to Disclose**

If a potential or current PGP employee has any type of personal or professional relationship with a Vendor/Carrier employee or a Vendor/Carrier Board Member or if a PGP employee has any business, investment or other relationship with a Vendor/Carrier, a Vendor/Carrier employee or a Vendor/Carrier Board Member, that might represent a conflict of interest, or potential conflict of interest, the potential or current PGP employee must disclose that relationship to the Vendor/Carrier. Such disclosure should be made at the time of the interview for potential employees and the current PGP employees should immediately notify his/her manager, the Office Manager or the COO if and when such a relationship develops at any time during their employment at PGP.

#### **2-4 Employee Rules of Conduct**

PGP has established rules of conduct to protect our employees and our Company. All employees are required to act within these rules and recognize standards of appropriate workplace behavior. Additionally, PGP will investigate all allegations of Fraud, Waste and Abuse (FWA). All suspected fraud, waste, abusive practices or dishonest actions must be reported to your supervisor. This list is not intended to be an all-inclusive list of inappropriate behavior:

- Harassment in any form, including sexual harassment, retaliation or any discriminatory behavior
- Misuse or abuse of electronics communications
- Disclosure of proprietary or confidential information
- Embezzlement, theft, vandalism, or other unauthorized removal of PGP property or misappropriation of company funds or assets
- Carry of any firearms, weapons, or explosives while on company property or on company business
- Use, possession, distribution, or sale of controlled substances in any quantity, or being under the influence of such substances while on company premises or conducting

- company business
- Falsification of records or reports, including timekeeping documents
- Fighting or threatening violence to other employees
- Boisterous or disruptive behavior
- Negligent or inappropriate conduct that may result in or cause injury to persons or damage to PGP property
- Violation of safety rules
- Smoking in the work place
- Inappropriate dress or attire
- Illegal acts on company property, or while representing PGP
- Violation of personnel policies
- Insubordination, refusing to obey work instructions, or refusing to perform work
- Unethical conduct or any form of dishonesty or theft of service or product
- Failure to notify management of errors in pay in a timely manner
- Taping, photographing, or otherwise recording sound or images on company property without permission.
- Failure to report a workplace accident or injury when it occurs

## 2-5 Reporting Misconduct

PGP is committed to providing a work environment free of harassment, disrespectful or other unprofessional conduct. PGP will not tolerate the theft of its property, either physical or intellectual, or of the property of employees or visitors on its premises. PGP will aggressively pursue any theft on its premises and will prosecute violators to the fullest extent of the law.

Any employee who suspects, observes, or experiences theft of supplies or equipment by another PGP employee, member of management, or anyone else, should immediately contact his/her manager or any other manager, or to the COO . The report can be made either in person, via email or thru the Employee Complaint-Concern Form located on the company's "P Drive". The complaint form is a fillable PDF form that can be filled out and emailed over to HR, but if you do wish to file a complaint or concern anonymously, please fill out the form, print it and scan it to [HR@pgpbenefits.com](mailto:HR@pgpbenefits.com). The address is on all copy machines as Human Resources.

PGP will promptly investigate and appropriately address the situation, and employees can be confident that they may raise concerns without fear of retaliation. Retaliation is a serious violation of company policy and will subject any employee who engages in retaliatory behavior to the same strict discipline as the violator. Neither PGP nor its management will in any way retaliate against an individual who raises a good faith complaint alleging theft, or who cooperates in any investigation.

To the extent practical and appropriate, complaints of theft and the subsequent investigations will be treated as discreetly as possible. All investigations will be promptly handled, and designed to protect the privacy of, and minimize suspicion toward, all parties concerned. Employee cooperation in investigations viewed as a condition of employment. Refusal or failure to cooperate with any aspect of this policy may result in disciplinary action, up to and including termination of employment.

Allegations that are substantiated will result in appropriate disciplinary actions against the violator, up to

and including termination of employment. Likewise, false accusations may result in appropriate disciplinary action against the accuser.

## 2-6 Bullying and Respect in the Workplace

PGP will not tolerate any type of bullying behavior at work. Where an allegation of bullying is made, the intention of the alleged bully is irrelevant and will not be given consideration when action is taken. PGP considers the following types of behavior to be of a bullying nature:

- **Verbal Bullying:** slandering, ridiculing, or criticizing a person or his/her family; persistent name calling which is hurtful, insulting, or humiliating; using a person as butt of jokes; abusive and offensive remarks
- **Physical Bullying:** pushing; shoving, kicking, poking, tripping, assault, or threat of physical assault, damage to a person's work area or property
- **Gesture Bullying:** non-verbal threatening gestures, glances which can convey threatening messages

### Complaint Procedure

Any employee who suspects, observes, or experiences bullying actions by another PGP employee, member of management or anyone else should immediately notify his/her manager, the Office Manager or the COO. The report can be made either in person, via email or thru the Employee Complaint-Concern Form located on the company's "P Drive". The complaint form is a fillable PDF form that can be filled out and emailed over to HR, but if you do wish to file a complaint or concern anonymously, please fill out the form, print it and scan it to [HR@pgpbenefits.com](mailto:HR@pgpbenefits.com). The address is on all copy machines as Human Resources.

PGP will promptly investigate and appropriately address the situation, and employees can be confident that they may raise concerns without fear of reprisal. Anyone found to be engaging in any type of bullying behavior will be subject to disciplinary action, up to and including termination of employment.

### Retaliation

Neither PGP nor its management will in any way retaliate against an individual who raises a good faith complaint alleging bullying or cooperates in any investigation. Retaliation is a serious violation of policy and will subject any employee who engages in retaliatory behavior to the disciplinary action up to an including termination of employment. Likewise, knowingly false accusations may result in appropriate disciplinary action.

### Outside of the Workplace

Bullying can come from an employee, vendor or customer and can happen after work. PGP is not responsible for actions alleged to have occurred outside of the workplace. In addition, where any bullying behavior rises to a level that requires police intervention, employees are encouraged to involve law enforcement at their discretion.

## **2-7 Outside Employment**

Employee activities outside the workplace are not the business of PGP unless it affects the Company and the employee in their job. Outside employment is prohibited if it prevents the employee from fully performing job functions including overtime assignments, work that involves organizations that do or seek to do business with or compete with PGP, and work that involves organizations who are vendors or potential vendors of PGP. Full Time employees are expected to treat their position at PGP as their primary employment. Those considering taking on a second job must notify their manager immediately to ensure there is no conflict of interest and the second job will not interfere with the full time position at PGP.

## **2-8 Computer and Electronic Communications Systems**

PGP's computer and electronic communication systems, including voicemail, mobile communications, e-mail, PCs, laptops, and flash drives are intended for the transmittal of business-related information. Company-issued computers and computer-related hardware are the property of the Company and therefore, no employee should expect a right to privacy when using them. Employees are to update the IT Manager with new or changed passwords as they are developed. Computers and electronic information systems should be used exclusively for matters of concern to the business' operation, and not for communications of personal, private, or non-business matters. Inappropriate or excessive personal use is not acceptable.

PGP may inspect, monitor, and review all computers and electronic communications systems without notice to the users, in the ordinary course of business, or when the Company deems it appropriate. Reasons for such access include, but are not limited to: maintaining the systems; preventing or investigating allegations of systems abuse or misuse; assuring compliance with software copyright laws; complying with legal and regulatory requests for information; and ensuring that PGP's operations continue appropriately during an employee's absence. No one may access, or attempt to obtain access to, another person's electronic communications without appropriate authorization.

In order to avoid software interactions as well as keeping the company network free of outside software, no software should be added, deleted and/or run on any Company computer without written approval from a manager. Company confidential and/or proprietary business information shall not be transferred to or maintained on any other non-Company owned computer or electronic information system without prior express authorization from appropriate personnel.

Any message or communication transmitted through PGP's system is subject to PGP's anti-harassment, anti-discrimination and non-solicitation policies. All employees are expected to carefully compose and review the wording, tone, and content of communications prior to transmission. All information distributed via any electronic communication system to PGP's employees or business partners about products or services are considered intellectual assets of PGP, and are not to be distributed to anyone but the intended recipient.

It is important that PGP employees understand that they may not communicate any material that violates the privacy rights of another employee, client or the Company. Employees may not disclose

any trade secret or proprietary, sensitive, confidential, or financial information about the Company. Further, employees are reminded that PGP's policies governing the use of corporate logos and other branding and identity apply, and only individuals officially designated have the authority to speak on PGP's behalf.

Violation of this policy could lead to disciplinary action, up to and including termination of employment.

### **Social Media Policy**

It is the intention of PGP to set rules and regulations regarding the use of Web logs, blogs, social media, and social networking sites such as, but not limited to, LinkedIn, Facebook, and Twitter. When an employee chooses to engage in the use of social media and partake in publication of personal thoughts, it is important to keep in mind the following as it pertains to PGP's products, reputation, policies, procedures and employees.

It is important that PGP's employees understand that they may not communicate material that violates the privacy rights of another employee, client, or the Company. Employees may not disclose any trade secrets or proprietary, sensitive, confidential, or financial information about the Company.

Communications must be personal in nature and state that they are not written by or on behalf of The Company.

With these important restrictions in mind, the following are the guidelines for blogging and use of social media sites:

- Company equipment, including computers, cell phones and electronic systems, are limited to business use only, and should not be used for the transmission of personal communications through social media
- Employees must abide by all applicable non-disclosure agreements and confidentiality policies of the Company
- Company policies governing the use of corporate logos and other branding and identity apply to personal communications through social media, and only individuals officially designated have the authority to speak on the Company's behalf in these forums
- Employee communications, including the transmission of information through social media, are subject to all Company policies, including for example the Company's policy against Discrimination and Harassment
- Employees are prohibited from making discriminatory, defamatory, libelous, slanderous or knowingly false comments when discussing the employer, the employee's superior, co-workers, or any other employees of PGP, PGP management, competitors, or customers
- The Company reserves the right to take disciplinary action, up to and including termination of employment, against an employee, if any communication is found to violate this policy
- This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations

### **2-9 Handling On the Job Problems**

It is expected that this Employee Handbook and PGP's practice of open communication will provide the opportunity for employees to address any issues or questions. When this is not the case, any



employee having any dispute relating to the application or interpretation of the terms and conditions of employment as described in the PGP Employee Handbook should use this Resolution Procedure. The following are the steps to take:

**STEP 1:**

The employee's manager is ready and available to listen. Employees are to talk the problem over with their manager honestly and sincerely. There is a good possibility the issue or problem can be resolved at this stage. If the employee's manager fails to offer the opportunity to discuss the matter, or does not provide a satisfactory conclusion, the employee is to take the next step.

**STEP 2:**

Employees are to present their concern in writing to the Office Manager within 20 days of meeting with their manager. Employees should suggest an ideal resolution as well as ideas for achieving the desired goal. At this point, the Office Manager will review the manager's determination, the employee's suggestion and meet with the employee to discuss the situation. The Office Manager will provide the employee with a determination within ten days.

**STEP 3:**

Employees are to present their concern in writing to the COO within 10 days of meeting with the Office Manager. Employees should suggest an ideal resolution as well as ideas for achieving the desired goal. At this point, the prior determinations, the employee's suggestion and may meet with the employee to discuss the situation. The COO will provide the employee with a determination within ten days. This is the final and last step of the process.

**2-10 Progressive Discipline**

The purpose of this policy is to state PGP's position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

PGP's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence and prepare the employee for satisfactory service in the future.

Disciplinary action may call for any of following steps: Verbal Warning, Written Warning, or Termination of Employment; depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: a first offense may call for a verbal warning; another offense may lead to a written warning, or the offense may then lead to termination of employment.

PGP recognizes there are certain types of employee problems that are serious enough to justify either or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Rules of Conduct policy includes examples of problems that may result in disciplinary action or termination of employment.

By using progressive discipline, we hope most employee problems can be corrected at an early stage, benefiting both the employee and PGP.

## **SECTION 3 - PGP AND YOU**

### **3-1 Categories of Employment**

It is the intent of PGP to clarify the definitions of employment classifications so employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time. Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and PGP. At the time of hire, each employee is designated as either Non-Exempt or Exempt from federal and state wage and hour laws.

**Non-Exempt** employees are entitled to overtime pay for hours worked in excess of 40 hours in a workweek under the specific provisions of the Fair Labor Standards Act (FLSA).

**Exempt** employees are those whose duties and responsibilities allow them to be 'Exempt' from overtime pay provisions as provided by the Fair Labor Standards Act (FLSA). This is not an all-inclusive listing; therefore, the Exempt status of each job is based on the actual responsibilities, and the work performed on that job.

Employees will be notified if their exempt status has changed upon transfers and promotions. An employee's Exempt or Non-Exempt status may be changed only upon written notification by PGP management.

In addition to the preceding categories, each employee will belong to one of the following employment categories:

#### **Full-Time**

Employees who are not in a temporary status and who are scheduled to work a full 5 day, 40 hour work week. These employees are eligible for the full benefits package, subject to the terms, conditions and limitations of each benefit program.

#### **Part-Time**

Employees who normally work less than 40 hours per week and who are not assigned to a temporary status. Eligibility for benefits depends on the number of regularly scheduled work hours, and the terms, conditions and limitations of each benefit program.

#### **Temporary**

Employees who are hired on an interim basis to temporarily supplement the work force. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees are not eligible for any of PGP's benefits programs, however, they are expected to abide by PGP policies.

### **3-2 Hours and Work Schedules**

Hours worked, meal breaks and employee schedules are set at the time of employment, but may be modified based on PGP's need. A full time schedule is a minimum of 40 hours (9 a.m.-5 p.m. including a one hour paid lunch). Hours worked and employee schedules are set at the time of employment but may be modified based on PGP's need. On occasion, PGP may require evening and weekend schedules. It is anticipated that employees will cooperate to the fullest extent possible when called upon to flex their schedules.

Employees are not permitted to come in late or leave early in place of not taking their lunch break, unless the employee's manager previously authorizes the instance. Where possible, PGP wants to accommodate employees where unforeseen situations may necessitate this type of request. Understand however, in no case will this be allowed to become a pattern or a change in the employee's normal work schedule.

### **3-3 Attendance and Punctuality**

To maintain a productive work environment, PGP expects employees to be reliable and punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees. It is the employee's responsibility to personally notify their manager by their starting time if the employee will be absent or late and provide a general reason for the absence or lateness.

Managers may take disciplinary action up to and including termination of employment when an employee has excessive absenteeism or lateness or exhibits other problems associated with poor attendance. The frequency and number of absences will be considered, as well as patterns of lateness or absence, prior work history, and work performance. Absences before or after vacations or holidays, during peak work periods, or frequent occurrences on Mondays or Fridays can also constitute an attendance problem.

Overall, poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

### **3-4 Timekeeping**

Federal and state laws require PGP to keep accurate records of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties and can include work performed remotely. Employees who alter, falsify, or tamper with time records, or record time on another employee's record will be subject to disciplinary action, up to and including termination of employment.

Non-exempt employees are to use the hand punch time system to record arrival and departure time from

work. The employee's manager must approve any overtime in advance, including work performed remotely. If corrections or modifications are made to a time record, the employee's manager must verify the accuracy of the change.

Non-exempt employees should not punch in more than five minutes prior to their scheduled start time, nor stay more than five minutes after their scheduled end time without prior authorization from their manager. All employees must punch in and out including before and after lunch. Any overtime must be approved in advance by the employee's manager.

Failure to adhere to this policy will result in disciplinary action, up to and including termination of employment.

### **3-5 Personnel Records**

PGP maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, documentation of performance appraisals, salary increases and other employment records. It is also important that employees provide PGP with the most current information on their educational accomplishments, certifications, skills learned etc.... to keep their personnel file up to date.

Personnel files are the property of PGP and access to the information can only be obtained through the Office Manager. With reasonable advance notice, employees may review their own personnel file in the Office Manager's office

### **3-6 Retention and Destruction of Employee Documents**

In collecting, maintaining, disclosing, and disposing of personnel information about employees, the company makes every reasonable effort to protect employee's privacy rights and interests and prevent inappropriate or unnecessary disclosures of information from any employee's file or record.

Employee's personal information will be treated as confidential. Employee's rights of privacy will be protected. PGP will collect and retain personal information only as needed to conduct business and administer employment and benefit programs. Personal information collected by the Company includes employee name, address, telephone number, e-mail addresses, emergency contact information, EEO data, social security number, date of birth, employment eligibility data, benefit plans enrollment information, which may include dependent personal information, and school/college or certification credentials. It is our intention to ensure that personal and job-related information about employees is accurate, complete, relevant, and available only as required for its intended purpose.

All paper-based documents relating to an employee's personnel/payroll records are kept in locked files and are only accessible to authorized HR staff or other staff who have a valid need for specific information. All pre-employment inquiry information and reference checking records conducted on employees and former

employees are maintained in locked, segregated areas and are not used by the company in the course of business operations. All personnel files must remain in the Office Manager's office at all times.

PGP does not release sensitive information about employees or former employees to outsiders without written consent, unless required by judicial order, federal or state laws, or an investigation by a law enforcement or government agency.

Documents that contain sensitive information such as medical records, personal data, Social Security numbers, etc., will be destroyed by shredding when they are no longer needed or retained for any reason. Sensitive information stored electronically will be protected through the use of password security procedures and deleted or destroyed so as not to be recoverable.

The Company will review and enforce compliance with this policy. Violation will result in disciplinary action, up to and including termination of employment. If an employee becomes aware of a material breach in maintaining the confidentiality of his or her personal information, the employee should report the incident to the Office Manager or the COO who have the responsibility to investigate the incident and take corrective action.

### **3-7 Personnel Data Changes**

It is very important that PGP has the most current personal data on each employee. It is each employee's responsibility to make sure any changes are provided to the Office Manager as soon as possible, but no later than 30 days after a 'qualifying event'. Examples of these 'events' are resignation, termination of employment, marriage, birth of a child, death of an employee or spouse, a reduction in an employee's hours, leave of absence, divorce or legal separation, a dependent child no longer meeting eligibility requirements etc....

Changes in personal data can have an effect on an employee's benefits. These include an employee's:

- Legal name
- Home mailing address
- Home telephone number and/or cell number and names of dependents
- Exemptions on the W-4 tax form Change in Marital status
- Individuals to be contacted in event of an emergency, Educational accomplishments
- Military or draft status and other such information. Birth, adoption or foster care, placement of a child  
Emergency contact person and information
- Personal email address

### **3-8 Dress Code**

Each employee is a representative of PGP, whether or not their job places them in direct customer contact. Our dress code in the office is casual which must be neat and clean in appearance. In addition, all employees are expected to groom themselves in accordance with accepted social and business standards. Overall, a neat tasteful appearance contributes to the positive impression made on clients, other employees, managers and anyone else. When having customers visit or when making outside customer

calls, employees should dress appropriately.

Inappropriate dress includes very casual imprinted T-shirts, tight fitting clothing, low cut blouses, tank tops, halter tops, sloppy jeans, shorts jogging/sweat suits, leggings, faded and/or torn denim, shirts with inappropriate writing, thong type beach sandals/flip flops, or anything suggestive, revealing and inappropriate for business.

Any employee who does not meet the standards of this policy will be subject to immediate corrective action, which may include leaving the premises to change the attire. Any resulting missed work will not be compensated for and repeated violations of this policy may result in disciplinary action up to and including termination of employment.

PGP acknowledges its obligation to be flexible in this policy to make any accommodations required by law.

### **3-9 Smoking**

In compliance with local regulations, there is to be NO SMOKING in any of our offices, work location or at any client location. This includes NO SMOKING within 50 feet of any of the office/building doors. This includes use of all types of tobacco products (smoke and smokeless). Employees can leave the office to smoke during meal breaks and before or after working hours. Smoking breaks during the day will not be permitted.

### **3-10 Inclement Weather**

In the event that weather conditions or predictions are unusually severe, PGP offices may open later than usual; may not open; or may close early. If the office is officially closed, all employees will be paid for a normally scheduled workday. If the office is considered open for business as usual and the non-exempt employee chooses not to come to work, PGP will record this absence as a vacation day. If no accrued and unused vacation days are available the day will be unpaid.

### **3-11 Use of Company Telephones, Company Provided or Personal Cellular Phones, Mail and Electronic Devices**

PGP's offices have a very large volume of both incoming and outgoing telephone calls. Employees are expected to keep personal calls to a minimum during business hours. While at work, employees are to exercise the same discretion in using personal cell phones as is used with Company telephones. Excessive personal calls during the workday, regardless of the type of telephone used, can interfere with productivity and be distracting to others. When personal calls are necessary, employees are asked to limit the length of such calls and to handle these calls during non-work time.

Company-provided cell phones are to be used in a safe and responsible manner at all times. Employees whose job responsibilities include regular or occasional driving are not to use cell phones while driving to make phone calls, including 'hands free' phone calls. Safety comes before all other concerns. Texting and other similar acts are prohibited while behind the wheel of a motor vehicle under any circumstances. If an

employee violates this policy it will be grounds for immediate termination of employment.

Under no circumstances are employees to make personal long distance, 900, or other toll calls using Company phones. PGP may review call detail records of any Company phone to see if abuse has taken place. Employees should also be aware that PGP's phone lines might be monitored for training or other purposes.

Employees are not to use PGP as a personal mailing address and are not to place personal mail through the postage meter. Employees must obtain their manager's approval to use PGP office equipment for personal use, including, but not limited to, copy machines, fax machines, binding machines, etc.

Employees are not allowed to tape, videotape, record, or take photos with any electronic device, including cell phones, anywhere on Company property without written permission from PGP.

Violation of any part of this policy will result in disciplinary action, up to and including termination of employment.

### **3-12 Work Environment**

Employees are expected to maintain a neat and orderly workplace at all times. This includes the employee's own desk and workstation as well as the overall work environment. Employees are expected to clean up after themselves in the kitchen and conference room as well as any other location employees may use.

### **3-13 Responsibility for Personal Belongings**

It is essential that each employee protect personal belongings brought into the building or work location. Employees should take proper measures to safeguard their belongings when stepping away from their workstation. Employees have no presumption of privacy for items kept in work areas. PGP is not responsible for the loss of personal money or belongings.

PGP reserves the right to inspect any type of package, handbag, briefcase, backpack etc..., brought onto the premises at any time.

### **3-14 Visitors in the Workplace (Please see update listed at the back of the handbook under PGP Office Policies.)**

To provide for the safety and security of employees and the facilities at PGP, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protect against theft, ensure security of equipment, protect confidential information, safeguard employee welfare, and avoid potential distractions and disturbances.

All visitors should enter PGP at the appropriate reception area. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on PGP's premises, employees should immediately notify their manager, or if necessary, escort the individual to the reception area.

### **3-15 Media**

To ensure that any information provided to the public about PGP is accurate, only the President is to comment to any member of the media. Any employee who is approached or contacted by telephone or E-mail by a member of the media should refer that request to the CEO or President. This will ensure that only current, consistent and accurate information is provided.

This policy is not intended to interfere with protected concerted activity or infringe on employee rights under applicable state and federal regulations.

### **3-16 No Solicitation and No Distribution Rule**

Because distraction on the job leads to unsafe working conditions, poor work performance and inefficiency, we have established the following rules:

- During periods of the workday when employees are engaged in or required to be performing work tasks, employees may not engage in solicitation or in the distribution of any material for any purpose.
- During any period in another employee's workday when he/she is engaged in or required to be performing his/her work tasks, employees may not solicit the other employee for any purpose.
- Distribution of literature of any kind may not be made in the work areas of the premises at any time. Persons not employed by the Company are not permitted to solicit or distribute literature on

### **3-17 References**

It is PGP's policy to respond to requests for information regarding current, retired, or former employees. All such requests are to be referred to, and answered by, the Office Manager. The only information that PGP will verify are dates of employment and title. No employee is authorized to ever give a personal opinion on any current or former employee's work performance, work approach, work behaviors, or anything else.

### **3-18 Identification Problems**

When the Company has been notified that an employee has an identification problem, the employee is required to resolve the problem in a satisfactory manner within one hundred and twenty (120) days of such notification. However, if the identification problem implicates the employee's I-9 Form on file with the Company, the employee will be provided with a reasonable time, of up to three weeks, to provide the Company with new I-9 documentation. Failure to supply new I-9 information will result in termination of employment.



## **SECTION 4 - COMPENSATION AND BENEFITS**

### **4-1 Pay Schedule and Deductions**

Full-time and part-time employees will be paid bi-weekly (26 pay periods per year): in those months when the usual pay day falls on a holiday or weekend, employees will be paid on the workday immediately prior to the usual pay day.

Employees are encouraged to periodically review their pay stubs to make sure all relevant information (name, address, Social Security number, deductions, etc.) is correct. Payroll should be notified immediately of any omissions, errors or discrepancies in pay.

All employees are encouraged to use direct deposit into checking, savings or multiple accounts.

Federal and State laws require that certain deductions be made from each employee's paycheck. Among those are federal, state and local income taxes and the employee's contribution to Social Security as required by law. The amounts of deductions depend on earnings and the information furnished on the W-4 forms regarding the number of dependents/ exemptions claimed. Any other mandatory deductions, such as court ordered wage attachments would be explained to the employee when PGP is ordered to make such deductions.

It is PGP's policy to pay exempt employees in accordance with all federal and state regulations. No improper deductions may be made from exempt employees' pay under any circumstances. Any exempt employee who believes that an improper deduction has been made should promptly notify the Office Manager indicating the circumstances of the deduction and whether there have been previous similar incidents. The circumstances will be investigated and if valid, the salary reimbursed. No employee shall be subject to disciplinary action, or any retaliatory action, for reporting any such violations of this policy or for cooperation in the investigation of such complaints.

PGP is not responsible and will not adjust an individual employee's tax status without an updated withholding certificate (W-4) being filed with the Payroll Department.

### **4-2 Overtime**

From time to time, it may be necessary for employees to work overtime in order to complete work assignments. All overtime must be approved in advance by the employee's manager.

Overtime compensation is paid to all Non-Exempt employees for hours worked over 40 hours in one week in accordance with federal and state wage and hour laws. Overtime pay of one and one half times base pay per hour for hours worked over 40 in one work-week is based on actual hours worked. Time-off for sick, vacation, business travel or any leave of absence does not qualify as hours worked for purposes of calculating overtime.

### 4-3 Benefits Summary

The value of the benefits that PGP provides to our employees' amounts to a considerable sum each year in addition to the wages and salary. PGP is certain that all employees will agree that the benefits program represents a solid investment in our employees and our Company.

PGP provides medical coverage to all full time employees after 3 months of employment. PGP pays administrative costs associated with the benefits program and all employee contributions are deducted in installments from their bi-weekly pay.

PGP reserves the right to discontinue or to alter, amend, or modify benefits at any time. Employees will be informed of any such change on a timely basis.

### 4-4 Holidays

PGP recognizes certain days as official Company holidays and pays full-time and part-time employees for time off on these days.

PGP will observe and be officially closed for business on the following holidays:

New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day
Labor Day	

Employees requesting additional days to be taken off for other non-listed observances will require the use of accrued and unused vacation days. If a Company holiday occurs during an employee's scheduled vacation, the day will be counted as a holiday, not as a vacation day. In order to qualify to be paid for a holiday, employees must work the scheduled workday immediately before and after the holiday. Only excused absences will be considered as exceptions to this policy. Employees requesting additional days off for other non-listed observances will be required to use a vacation day. Employees on any type of leave of absence will not be eligible to be paid for holiday pay.

The official PGP holiday schedule will be communicated annually to all employees. The day of the week on which a particular holiday falls in any given year may affect the day the holiday is observed or whether that holiday will be observed.

Non-exempt employee's holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) for a normal day. In order to be paid for a holiday, employees must work the scheduled workday immediately before and the scheduled workday immediately after the holiday. Only excused absences will be considered as exceptions to this policy. Employees who are sick before or after a holiday will be required to provide a physician's note. Employees on any type of leave of absence will not be eligible to be paid for the holiday.

Part-time employees will be granted holiday pay for each holiday prorated based on the normal daily work.

## **4-5 Vacation Benefits**

### **Full-time Employees**

Employees accrue one vacation day per calendar month to a maximum of 12 days per calendar year. On January 1 following the employee's 5<sup>th</sup> anniversary date, vacation is accrued at 1.25 days per month to a maximum of 15 vacation days.

New employees begin to accrue vacation days after the first full month of employment and can take accrued vacation days after three full months of service. Employees, who use all of their accrued vacation benefit and need more time, may request additional days without pay. However, all of an employee's accrued vacation benefit must be used before any unpaid time will be considered. No more than two consecutive weeks will be approved to be taken at any one time.

Vacation time is paid at the employee's straight-time pay rate (as of the date of vacation) for a regular workday. Paid time off for vacation will not be counted as hours worked for purposes of determining whether overtime pay is due to the employee.

### **Part-time Employees**

Employees who work 20 plus hours per week begin accruing vacation after 2 calendar years of service. Vacation is accrued each calendar month, is prorated based on the regular work schedule, to a maximum of 6 vacation days.

### **Carry Over**

Only 5 days of accrued and unused vacation may be carried over into the next calendar year and any remaining time will be forfeited. The carried over days must be taken no later than March 31 or the time will be forfeited.

### **Termination**

Upon termination of employment, any accrued and unused vacation benefit will be paid to a maximum of 10 days.

## **4-6 Sick Days**

Employees who must be absent from work because of a personal illness accrue paid sick days each calendar year. Sick days are to be taken only as needed for illness or injury and are not to be viewed as entitlement in addition to holiday and vacation days.

All full-time employees are eligible for a maximum of 5 sick days per calendar year. Sick days are accrued at the rate of 1/2 day per month for each full month of employment up to the maximum of 5 days. Employees may use sick leave in units of no less than 4 hours at any one time (1/2 sick day). If the employee is absent more than 3 consecutive workdays a doctor's note may be required.

New employees begin to accrue sick days from the first full month of employment to a maximum of 2.5 sick days in the first calendar year of employment. These days can be taken after 3 full months of employment.

Sick days cannot be carried over from one calendar year to the next. For non-exempt employees, any sick days taken in excess of the number of accrued days allowed will be considered unpaid days.

Sick leave benefits are calculated based on the employee's straight time base pay rate at the time of the absence for a regular workday. Paid time off for sick leave will not be counted as hours worked for the purpose of determining whether overtime pay is due to the employee.

Employees who are unable to report to work due to illness or injury must personally notify their manager before the scheduled start of their workday. The manager should also be contacted on each subsequent day of absence.

Employees who use all accrued sick time and need additional sick time off will use accrued vacation days. Accrued and unused sick time is not carried over to the following calendar year and is not paid out if unused. At termination of employment, accrued and unused sick days will not be paid.

Any employee out on sick leave for 5 or more working days, or on workers' compensation or disability leave must advise the Company as soon as possible when he/she is able to return to work. Upon return, the employee must bring a certificate from a physician stating that he/she is able to perform the essential functions of his/ her position.

### **Sick Days - NYC**

Full time and part time employees who work more than 80 hours in any calendar year in New York City, accrue sick days each calendar year at the rate of one hour for every 30 hours worked up to a maximum of 40 hours of sick leave. A calendar year is defined as January through December.

Employees can use paid sick days on July 30, 2014 or 120 days after the start of employment. Employees can use sick days for:

- The employee's mental or physical illness, injury or health condition
- The employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury or health condition
- The employee's need for preventative medical care
- Care of a family member who needs medical diagnosis, care, or treatment of an illness, injury or health condition, or who needs preventative medical care
- Closure of the employee's place of business due to a public health emergency
- The employee's need to care for a child whose school or child care provider is closed due to a public health emergency

### **A family member is defined as:**

Child, grandchild, spouse, domestic partner, parent, grandparent, child or parent of an employee's spouse or domestic partner and, sibling (including half, adopted, or step sibling) .

If the employee is absent more than 3 consecutive workdays a doctor's note may be required.

Employees may take paid sick days in increments of no less than 4 hours per day.

Employees will be paid a regular day's pay for a sick day. Paid time off for sick days will not be counted as hours worked for purposes of determining whether overtime pay is due to the employee.

Non-exempt employees who use all accrued sick days and need additional time off will not be paid for the additional days out. All employees can carry over a maximum of 40 hours of sick days to the following calendar

year and these hours are immediately available to the employee. Employees can only use up to 40 hours of paid sick days in any calendar year.

Employees who are unable to report to work due to illness or injury must personally notify their manager before the scheduled start of their workday. The manager should also be contacted on each subsequent day of absence.

Employees who use all accrued sick time and need additional sick time off will use accrued vacation days. At termination of employment, accrued and unused sick days will not be paid.

Any employee out on sick leave for 5 or more working days, or on workers' compensation or disability leave must advise the Company as soon as possible when he/she is able to return to work. Upon return, the employee must bring a certificate from a physician stating that he/she is able to perform the essential functions of his/ her position.

#### **4-7 Dental/Medical Appointments**

Employees are encouraged to make regular or recurring medical or dental appointments outside of office hours. When this is not possible, employees can use vacation, personal or sick days in ½ day increments.

#### **4-8 Family and Medical Leave**

Under federal law, eligible employees may take a leave of absence under the Family Medical Leave Act (FMLA). A discussion of an FMLA leave is set forth below. To the extent that an applicable state law provides greater benefits, the Company will comply with that state law.

##### **Eligibility**

An employee is eligible for an FMLA leave if he/she has been employed for at least twelve months; has worked at least 1,250 hours in the twelve-month period prior to the first day of leave and is located within a 75 mile radius of at least 50 other employees.

A covered employer must grant an eligible employee up to a total of 12 workweeks of unpaid, job protected leave in a 12 month period for one or more of the following reasons:

- for the birth of a son or daughter, and to bond with the newborn child;
- for the placement with the employee of a child for adoption or foster care, and to bond with that child;
- to care for an immediate family member (spouse, child, or parent - but not a parent "in-law") with a serious health condition;
- to take medical leave when the employee is unable to work because of a serious health condition; or
- for qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on covered active duty or call to covered active duty status as a member of the National Guard, Reserves, or Regular Armed Forces.

The FMLA also allows eligible employees to take up to 26 workweeks of unpaid, job-protected leave in

a “single 12-month period” to care for a covered service member with a serious injury or illness.

### **Qualifying Exigency Leave and Military Caregiver Leave**

- **Qualifying Exigency Leave** - Eligible employees can take up to twelve (12) weeks of FMLA leave due to a spouse, son, daughter or parent being on active duty or having been notified of an impending call to covered active duty in the Armed Forces. “Covered active duty” is defined to include members of a regular component of the Armed Forces during deployment with the Armed Forces to a foreign country, and for members of the reserve components of the Armed Forces (members of the U.S. National Guard or Reserves) during deployment of the member to a foreign country under a call or order to active duty under a provision of law referred to in section 101(a)(13)(B) of title 10, United States Code. Leave may be used for any “qualifying exigency” arising out of the service member’s current tour of active duty or because the service member is notified of an impending call to duty in support of a contingency operation.
- **Military Caregiver Leave** - Eligible employees can take up to a total of twenty six (26) weeks of FMLA leave during a single 12-month period to care for a member of the armed forces, including a member of the National Guard or Reserves, who has suffered a serious injury or illness in the line of duty while on active duty or that existed before the beginning of the member’s active duty and was aggravated by service in line of duty on active duty in the Armed Forces, that may render the service member medically unfit to perform the duties of their office, grade, rank or rating. It is broadly applied to include service members who are undergoing medical treatment, recuperation, or therapy, are otherwise in outpatient status, or are otherwise on the temporary disability retired list, for a serious injury or illness. A “covered service member” for purposes of this provision includes a veteran who was a member of the Armed Forces at any time during the period of 5 years preceding the date on which the veteran undergoes the medical treatment, recuperation or therapy. For a veteran, a qualifying injury or illness means one that manifested itself before or after the member became a veteran. (For this type of leave the definition of covered employee includes next of kin, or nearest blood relative, of a covered service member)

Leave taken for any of these reasons will be counted as a leave under the FMLA, regardless of whether the employee wishes to designate his/her leave as such.

To the extent permitted by law, FMLA leave shall run concurrently with any other leave to which the employee is entitled (e.g., disability or workers compensation). Leave taken for the birth or placement of a child must be taken within one year of the birth or placement.

### **Twelve Month Period**

FMLA leave is provided for up to 12 workweeks in a 12-month period. The 12- month period is measured on a rolling forward basis, from the first date of the leave

### **Amount of Military Caregiver Leave**

Eligible employees shall be entitled to, during a single 12-month period a combined total of 26 workweeks of leave under the Family Medical and Military Caregiver Leave. Leave may be taken intermittently or on a reduced leave schedule. The 12- month period is measured on a rolling forward

basis, from the first date of the leave

### **Intermittent Leave or Leave on a Reduced Schedule**

In some circumstances, FMLA leave may be taken intermittently or on a reduced schedule. If the employee is taking intermittent leave or is on a reduced leave schedule because of his/her own serious health condition, or the serious health condition of the employee's child, parent, or spouse, such a leave must be medically necessary.

Employees needing intermittent leave or a reduced leave schedule must attempt to schedule their leave so as not to interrupt the Company's operations. The minimum period of time for a leave is one-quarter (.25) hour. An employee on an intermittent leave or a reduced schedule leave may be transferred to an alternate work schedule, worksite location or alternative position to accommodate the leave.

### **Limitations if both Spouses Are Employees**

If both spouses work for the Company and the leave requested is for the birth, adoption, or foster care placement of a child or to care for a parent with a serious health condition, the Company will not grant more than a combined total of 12 workweeks of FMLA leave within a 12-month period to the spouses.

### **Leave Notice**

If the need for a leave is foreseeable, the employee must provide 30 days written notice to PGP. If the need for a leave is not foreseeable or if it is otherwise not possible to provide 30 days notice, notice must be provided within one or two days of learning of the need for the leave, or as soon as practicable.

If the need for the leave is foreseeable, the employee must make a reasonable effort to schedule the leave so as not to disrupt the Company's operations. The employee's reasonable effort to schedule his/her leave is subject to the approval of the health care provider of the employee or of the health care provider of the employee's family member.

### **Medical Certification**

If the leave is due to the employee's illness or to care for an ill family member, the employee must provide certification from the health care provider. Where possible, the employee must provide the certification before the leave begins. When this is not possible, the employee should provide the certification within at least 15 calendar days of when the employee learned of the need for the leave. Employees may obtain these forms from the Office Manager.

Failure to provide a timely medical certification may result in denial of an FMLA leave.

### **Other Employment**

Employees who accept other employment or go into business while on a leave of absence will be considered to have voluntarily resigned from employment. The resignation date will be considered as the day on which the leave of absence commenced.

**Return to Work**

If the employee's FMLA leave was because of his/her own serious health condition, the Company requires the employee to submit a certification from his/her healthcare provider that states that the employee is able to return to work. This form is available from PGP.

**Health Coverage**

The Company will continue the employee's health coverage while the employee is on FMLA leave, under the same terms and conditions as was provided while the employee was working. The employee will still be responsible for the same share of cost of premiums for his/her health coverage as if he/she were at work. If the employee is on an unpaid leave of absence he/she will need to send a check to PGP for his/her portion of the premium within the first five days of each month. Failure to make timely payments may result in termination of medical/dental coverage, though coverage will be reinstated on the return from the leave. Once leave is exhausted under FMLA, employees will be eligible to continue benefits under COBRA.

If the employee fails to return from the leave, or returns to work for fewer than 30 days, in certain circumstances, the Company may recover from the employee the premiums it paid for maintaining medical/dental coverage during all or part of the leave.

**Paid Time Off**

FMLA leave is unpaid, and in general, PGP's employees on FMLA-leave will be required to use all available, accrued paid time off before the unpaid portion of their leave period will begin. Only where employees are entitled to benefits pursuant to a disability plan or policy will they not be required to use their available, accrued paid time off during the period when they are receiving such benefits. Any period during which the employee receives benefits pursuant to the disability plan or policy will, if qualified under the FMLA, run concurrently with and be counted against the employee's FMLA leave entitlement. If the employee has earned sick time available, this time can only be used for the employee's own serious health condition.

**Reinstatement**

An employee eligible for Family and Medical Leave - except in only limited circumstances - will be restored to his/her old position or to a position with equivalent pay, benefits, and other terms and conditions of employment.

Employees who fail to report to work on their return date and who fail to request and obtain an approval for additional leave not covered by the Family Medical Leave Act may be considered to have voluntarily resigned.

**4-9 New Jersey Family Leave Act (NJFLA)**

New Jersey Family Leave Act (NJFLA) is provided for employees who need to take a leave of absence from work to care for a newborn child or sick family member.

**Reasons for leave**

The NJFLA requires employers to provide up to 12 weeks of leave during any 24 month period for the



care of an ill family member (spouse, parent, spouse's parent, or child) or for the birth or adoption of a child. The NJFLA *does not* cover an employee who needs time off for his/her own medical condition.

### **Eligibility**

All employers with 50 or more employees anywhere worldwide must comply with the NJFLA for their employees working in New Jersey.

To be eligible for family leave, an employee must have been working for PGP for at least 12 months, and must have worked a minimum of 1000 hours during the previous 12-month period.

### **Twenty Four Month Period**

NJFLA interacts with the FMLA in that both laws allow for up to 12 weeks of absence. If the time off is for a condition covered by both laws, then the time period runs simultaneously. However, there are some situations in which the time can run consecutively, thus extending an employee's leave beyond 12 weeks. The 24 month period is measured rolling forward.

### **Health Coverage**

Employee health benefits will be maintained at the same level as when the employee was actively working. Employees will be required to pay his/her share of the premium as if he/she were at work.

### **Paid Time Off**

NJFLA is unpaid however, the employee must use accrued and available paid time off before the leave is unpaid while on NJFLA leave.

### **Notice Required**

For a birth or adoption, an employee must provide notice to PGP 30 days in advance. For the care of a family member, an employee must give 15 days' notice. If the need for a leave is not foreseeable or if it is otherwise not possible to provide the requested notice, notice must be provided within one or two days of learning the need for the leave, or as soon as practicable.

### **4-10 Jury Duty**

It is an employee's civic duty as a citizen to report for jury duty whenever called.

Full time and part time non-exempt employees will be excused from work for required civic duties as serving as a juror or witness.

Exempt employee's weekly salary will be offset by any amount the employee received as jury fees, witness fees or military pay, for any workweek an exempt employee performs work.

Employees are expected to return to work for any day or any time during a day that jury duty is not required. In order to receive jury duty pay, employees must present a statement of jury service (the court issues this document) to Payroll.

### **New York**

Full time and part time non-exempt employees in New York will be paid the greater of the New York State

juror fee, currently set at \$40.00 per day, for the first three days of jury duty service (if the employee's daily wages are less than \$40 a day, the company will pay their wage and the State will make up the difference).

### **New Jersey**

The employee's pay will be offset by any amount the employee received as jury fees, witness fees or military pay, for any workweek an exempt employee performs work.

### **4-11 Bereavement Leave**

Full time employees are entitled to take up to three (3) workdays with pay to attend to the funeral and take care of personal matters related to the death of a member of the immediate family. Immediate family is defined as a parent, spouse, spouse's parent, child, brother or sister. One (1) day of paid bereavement leave will be provided in the case of the death of a grandparent, spouse's grandparent or sibling, or any member of the extended family living at the employee's home.

In New York, for purposes of this Bereavement Policy, the term "spouse" shall include the employee's same-sex committed partner.

Employees may extend bereavement leave by using an accrued or unused vacation day. This additional time out must be approved by the employee's manager. An excused absence for a family death may not be retroactive, postponed or split.

### **4-12 Military Leave Policy**

PGP recognizes and supports the right of employees to perform military service in the armed forces or the National Guard, and the responsibility of those employees enrolled in the military reserve training programs to be away from the job for periodic training events. Leave without pay will be granted to employees required to take two weeks of active military training each year, as part of a military reserve commitment. Employees may use available vacation days during that time.

Employees must submit a copy of their military orders to their manager before the leave commences. Military leave for other than the 2-week period will be granted in accordance with applicable federal and state laws.

### **4-13 Military Spouse Leave**

New York State law permits employees, who work an average of twenty (20) or more hours per week and who have a spouse in the military who is currently deployed during a period of military conflict to a combat theater or combat zone of operations, to take ten (10) days of unpaid leave when the spouse serving in the military is on leave from the combat theater or combat zone of operations. The term military conflict is defined as "a period of war declared by the United States Congress, or in which a member of a reserve component of the armed services is ordered to active duty" pursuant to various provisions of federal law.

While no advance notice of intention to take leave is required, PGP would appreciate as much notice as possible of the leave for scheduling purposes. An employee's vacation days will be unaffected by the decision to take unpaid leave.

PGP will not discriminate against or retaliate against employees who take advantage of this benefit.

#### **4-14 Nursing Mothers**

PGP supports the needs of nursing female employees who express breast milk and provides its employees reasonable break time for this purpose. Employees can use their normal paid break period or meal period or can take a reasonable amount of unpaid break time for this purpose. PGP will make reasonable efforts to accommodate schedule changes to allow the employee to make up for the unpaid time used during the work day to express breast milk, so long as the additional work time requested falls within PGP's normal work schedule.

In New York, this break time will be provided for up to three years after the birth of a child.

In states other than New York, this break time will be provided for up to one year after the birth of a child.

Nursing mothers are required to provide the Office Manager with a birth certificate and will need to reserve the room by signing up in advance. Employees will also sign in and out for each use. PGP will provide a private room for this purpose in each of our facilities. Employees are responsible for the storage of breast milk and PGP cannot be responsible for, and disclaims any liability or responsibility for, any spoilage that may occur to the milk for any reason. PGP will not discriminate against or retaliate against them

#### **4-15 Blood Donation**

New York State allows employees who work twenty (20) or more hours a week to take three (3) hours unpaid leave of absence in any twelve (12) month period to donate blood. Such leaves may not exceed three (3) hours unless otherwise agreed to by PGP.

#### **4-16 Bone Marrow Donation**

New York State employees who work twenty (20) or more hours a week are permitted to take up to twenty four (24) hours leave of unpaid absence to donate bone marrow. Such leaves may not exceed twenty four (24) hours unless otherwise agreed to by PGP.

#### **4-17 Short-Term Disability**

Full-time or part-time employees who work in New York and New Jersey are eligible for short-term disability insurance benefits. These benefits are available to employees who are unable to work because of a non-occupational illness or injury. Employees are to submit the Disability form to the Office Manager within 30 days of the onset of the injury or illness. Before returning to work, the employee must provide the Company with a doctor's note stating that he/she is able to perform the duties of his/her job. Employees are to see the Office Manager for disability forms. The employee should see the Office Manager for more information.

#### **4-18 Workers' Compensation Insurance**

PGP provides a comprehensive workers' compensation insurance program at no cost to all employees. This program is completely paid for by PGP and covers any injury or illness sustained in the course of employment that requires medical, surgical or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work related injuries or illnesses should inform their manager immediately. No matter how minor an on-the-job injury may appear, it is important it be reported immediately. This will enable an eligible employee to qualify for coverage as quickly as possible.

#### **4-19 Unemployment Compensation**

PGP pays the full premium of Unemployment Insurance. If an employee is terminated, that employee can apply for benefits through the local State Unemployment Office, which determines whether unemployment will be paid.

#### **4-20 Social Security**

The U.S. Government operates a system of contributory insurance known as Social Security. PGP deducts the required amount from the employee's paycheck and matches this contribution dollar for dollar. Thus, PGP pays one half of an employee's Social Security benefits.

#### **4-21 COBRA Benefits**

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under PGP's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are: resignation, termination of employment or death of an employee; a reduction in an employee's hours or a leave of absence; 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 PGP's group rates plus an administration fee. PGP provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under PGP's health insurance plan. The notice contains important information about the employee's rights and obligations.

## SECTION 5 – PGP OFFICE POLICIES

Failure to adhere to these office policies could result in disciplinary action and/or termination of employment. Violation of HIPPA regulations can impose a fine from \$100 to \$50,000 per violation depending on severity.

### HIPPA Compliance Guidelines

#### 5-1 Physical Access

Do not share your key card with anyone. Each employee must use their own key card. If you lose your key card it must be reported to the IT Department immediately.

It is the responsibility of every PGP employee to ensure that their key card is kept in safe custody. It should not be left on the front counter or anywhere else unattended. It must be returned on demand.

Passwords are not to be posted at your desk either on the tack board in plain sight or written on a sticky note hidden under your keyboard, mouse pad or anywhere else. If they are in a drawer make sure it is locked.

#### 5-2 Visitors in the Workplace

All visitors are to sign in at the front desk and obtain a visitor pass. No one will be allowed to wander through the office unaccompanied unless they are a vendor that has signed a Vendor Agreement and are here for a specific need.

No visitors will be allowed in the mailroom. Except – vendors that have signed a Vendor Agreement and are here for a specific need.

No one is to swipe their card to let anyone in through locked doors unless they are your visitor and they have signed in and obtained a badge.

#### 5-3 Documents with PHI or HIPPA Sensitive Information

All documents must be locked in your desk/office when you are not using it or leave the office either for appointments, lunch or for the day. If you need to leave your desk for a brief time during the day you may either turn the document face over, place in a folder so it is not viewable or store in your drawer.

Close your computer screens containing PHI or lock your computer when not in use or if you walk away.

Speaker phone should not be used. Be aware of anyone capable of hearing your conversation when discussing PHI.

Confirm caller identity before providing any information.

Never leave PHI on a voicemail. Do not listen to voice mails via speaker phone in case someone is leaving PHI on your voice mail.

All documents that are not being mailed out, and are no longer being referenced must be put in the SHRED-It bin after it has been scanned. **No** paperwork is to be thrown in the garbage can.

**DO NOT** leave any documents on the front counter at the reception desk.

Please remove all documents from the copy machine, fax machine, printers, and scanners immediately and make sure nothing is left behind.

Protect briefcases and files, lock them in the car trunk or safely carry all documents, ensuring they are covered from view.

The most common form of HIPPA breach is through the loss of paper records. Therefore whenever possible avoid removing paper documents containing PHI, such as group and member enrollment forms, from the office, if lost, it cannot be tracked.

Removing company property without prior authorization or disseminating company information without authorization; is a violation which could lead to disciplinary action up to and including termination of employment. This includes the removal of any and all PGP confidential documents, not limited to but including group and member enrollment forms, bank records, commission statements and checks.

Double check that you have the correct email address and/or fax number before you send document containing PHI.

Do not open suspicious attachments, contact IT Dept. if you suspect something is not legitimate.

Confidential information which includes PHI should never be texted. Text messages are not encrypted or secure.

A HIPPA Release form must be obtained in order to service a claim for a member.

#### **5-4 Computers**

Do not share your unique login and password with anyone other than the IT manager.

Never log-in to allow a co-worker to work under your username or request that a co-worker do the same for you.

Do not surf the internet for personal use when your computer contains PHI.

Protect laptops, devices such as cellphones and iPads.

#### **5-5 Personal Electronics**

All personal phones, computers/laptops must be encrypted and password protected. If they are not encrypted and password protected access from these devices will be blocked.

## **SECTION 6 - LEAVING PGP**

### **6-1 Termination**

Upon termination of employment, employees are expected to return all PGP property including but not limited to laptops, cell phones, credit cards, client lists, and information etc. The Office Manager will respond to reference requests in writing and will only confirm dates of employment, title and last salary. Benefits will cease on the last day of the month of employment for those employees who are enrolled in the health insurance plan.

**ACKNOWLEDGMENT OF RECEIPT OF EMPLOYEE HANDBOOK**

The purpose of this Employee Handbook is to provide the employees of PGP with general information regarding PGP’s personnel practices. Neither this Handbook nor any provision of this Handbook is an employment contract or any other type of contract. Due to the nature of PGP’s operations, as well as the variations necessary to accommodate individual situations, the guidelines set forth in this Handbook may not apply to every employee in every situation. PGP reserves the rights to rescind, modify, amend or delete these or other guidelines, policies, practices, or procedures relating to employment matters, as it considers necessary in its sole discretion. This right applies to individual or company-wide situations, with or without notice.

By signing below, I understand this Handbook does not constitute or imply a verbal or written contract between PGP and myself, nor does it alter my right or the right of PGP to terminate the employment relationship at any time for any reason, with or without cause. This status can only be altered by written contract of employment, which is specific as to all material terms and is signed by both myself and the CEO of PGP. No prior letter, e-mail, document or message, even if signed by PGP supersedes this handbook and its contents.

By signing below, I understand that PGP may, in the future, require an additional signature from me to indicate that I am aware of and understand any new policies, re-issuance of existing policies, and changes to existing policies.

By signing below, I acknowledge that I have received a copy of the PGP Employee Handbook on the date indicated. I understand it is my responsibility to read this Employee Handbook. I understand PGP has the right to amend or modify its contents at any time and that all such modifications will be binding upon all employees.

Print name:

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Signature:

Date:

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**THIS ACKNOWLEDGMENT FORM OR COPY OF IT SHALL BE MAINTAINED IN THE EMPLOYEE’S PERSONNEL FILE.**