



EMPLOYEE HANDBOOK

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Welcome

On behalf of your new colleagues, let us welcome you and wish you every success in your new job. We believe each employee contributes directly to our growth and success. Your role is an important part of our team and we hope you will take pride in being a member.

Welcome to the family of Avosys Technology Inc.!

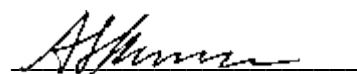
We are delighted to have you as part of our team.

We believe our people are essential to our success and the continued growth of our organization. All the other elements - machines, equipment and other resources - are of little significance without talented people to use them effectively. As you join us, it is important to understand that the most important function is to become a contributing member of our team, to aide us in achieving our goals.

Our goal is to provide our customers with the very best products and services while maintaining a positive atmosphere for our employees.

This handbook was developed to describe some of our expectations for our team members. It also outlines policies, procedures, and benefits. You should familiarize yourself with the content of the handbook as soon as possible. It will answer many questions about your employment. Your Supervisor or Human Resources can help with any remaining questions you have about Avosys and your new position.

We hope that your experience here will be challenging, rewarding and enjoyable. On behalf of the entire team, I welcome you.



Arshdeep Khurana
President & CEO

About Us

Avosys Technology Inc. (Avosys) is a Small Disadvantaged, Minority-Owned contracting firm certified by the Small Business Administration (SBA) that provides Federal, Defense, Healthcare and Commercial enterprise with best-value Information Technology, Cybersecurity, Healthcare, Administrative, Management, Accounting and Financial services, and compliant Data Center hosting services.

Incorporated in 1998 and headquartered in San Antonio, Texas; Avosys is made up of a team of technical and business professionals who are committed to the bottom line of ensuring client success by bringing quality and best practices to every project. Our management team has over five decades of experience working with commercial and governmental entities. In addition, we have a vast network of resources and assets to assist our customers in achieving their objectives. We strategically align ourselves with industry leaders that have the experience, technology and skill sets to deliver innovative solutions.

Our mission is “to provide a unique combination of business experience, public affairs, and technological expertise by leveraging smart people with proven technologies to deliver exceptional results.” That is the foundation of success on every Avosys engagement.

Mission Statement

Avosys culture has developed as a result of our shared belief in seven core values that are integrated into every aspect of the organization today. These values provide us an ideology that drives the company's continued growth and professional excellence. Guided by these principals, we have developed a reputation for delivering on the commitments we make to our clients.

Core Values

The blueprint that drives all operations and builds enduring relationships with our clients, partners and team members are:

People: We help people reach their fullest potential. We express this by enabling people to leverage technology to create value, attracting, developing and investing in high performing people, and multiplying our strengths, capabilities and results through teamwork.

Service: We believe in helping others achieve their goals through servant leadership, starting with clearly defining objectives through active listening.

Integrity: We promote high ethical standards and keep our promises. We are committed to doing what is right - especially when it is difficult, committing only to what we can deliver, and acting in our clients' best interest - first and always.

Optimism: We set positive expectations of others and ourselves. We are continually planning and working for success, choosing to contribute, looking to the future with enthusiasm.

Humility: We recognize that we are imperfect and always strive to improve. We grow by seeking to understand others, listening to feedback, and working together for shared success.

Balance: We support the development of the whole person. We achieve this by aligning physical, intellectual, relational and spiritual pursuits, encouraging high performance in all areas of life, and managing competing demands of life effectively.

Wisdom: We seek and offer thoughtful, long-term solutions. We consider present needs and future possibilities, assessing areas in which significant value can be increased or created.

Your Employee Handbook

This handbook is a tool to help acquaint you with your new employer and to provide information about the policies and procedures that effect your employment. This includes general expectations and responsibilities for Avosys team members, benefits, and other information. It is your responsibility to read, understand and comply with all provisions of this handbook.

One of our objectives is to provide a safe and positive work environment. This handbook is a living document. As Avosys grows, the handbook will be reviewed and adapted to the changing needs of the company and its team. All changes must be authorized and approved by Executive Management (Management). You will be notified of any changes in the policies, procedures, or programs described herein.

No handbook can anticipate every circumstance and every question. After reading this handbook, consult with your Supervisor or Human Resources regarding any unanswered questions you may have.

Employment At-Will

Employment with Avosys is voluntarily entered into, and you are free to resign at will at any time, with or without cause. Similarly, Avosys may terminate the employment relationship with you at any time, with or without notice or cause, provided there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract with you and should not be construed to constitute a contractual obligation of any kind. Nor is this handbook a contract of employment between Avosys and any of its employees.

The provisions of this handbook have been developed at the discretion of Management and, except where federal, state, or local laws state otherwise, may be amended or cancelled at any time. These provisions supersede all existing policies

Hiring Policies and Practices

This section describes Avosys general hiring policies and practices. We are an Equal Employment Opportunity provider and do not discriminate, nor do we tolerate discrimination by any of our employees.

Hiring Process

A job candidate's offer of employment is contingent upon his or her proper completion of Avosys' employment application, satisfactory reference checks, and satisfactory pre-employment qualifications – including background checks, governmental sanction checks and required health and drug screens. Avosys Human Resource Department verifies the applicant's work background, attendance, performance, credentials, and health and drug screenings (where required). The Avosys Human Resource Department obtains the applicant's credit and criminal background check. Based on a job classification's hiring requirements, some positions require further background investigation (motor vehicle, academic, licensure, credit, etc.).

Equal Employment Opportunity

Employment decisions are made based on merit, qualifications, and abilities. Avosys does not make decisions in its employment practices based on gender, age, race, color, religion, national origin, disability, service in the Armed Forces of the United States, status as a veteran or special disabled veteran, or any other characteristic protected by federal, state, or local law.

Avosys does not discriminate on the basis of gender in compensation or benefits for women and men who work in the same establishment and perform jobs that require equal skill, effort, and responsibility and which are performed under similar conditions.

Avosys practices a corporate value of tolerance in the workplace for the diversity of its staff. Team members can raise concerns and make reports without fear of reprisal. Any team member found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination. If you have questions or concerns about any type of discrimination in the work place, you are encouraged to bring them to the attention of your Supervisor. Concerns about an immediate Supervisor may be brought to the attention of Human Resources or Avosys Management.

Immigration Law Compliance and E-Verify

Avosys does not hire anyone who is not a United States citizen, or who is a non-citizen not authorized to work in the U.S under the Immigration Reform and Control Act of 1986. All new and current employees, as a condition of employment, must show valid proof that they are eligible to work in the United States within 3 days of hire. Avosys will utilize E-Verify to comply with this federal requirement.

E-Verify is an Internet-based system operated by the Department of Homeland Security (DHS), U.S. Citizenship and Immigration Services (USCIS) that allows employers to verify the employment eligibility of their employees, regardless of citizenship. Based on the information provided by the employee on his or her Form I-9, E-Verify will be utilized to verify this information electronically against records contained in DHS and Social Security Administration databases.

Disability

Avosys is committed to full compliance with the Americans with Disabilities Act of 1990 (ADA) and as amended in 2008 (ADAA) and ensuring equal employment opportunities for disabled persons. It is Avosys' policy not to discriminate against any individual in employment practices, including job application procedures, hiring, firing, advancement, compensation, training, and other terms, conditions, and privileges of employment. Accommodations will be made to adapt the workplace to the employee' disability, as defined by the ADA, who has made Avosys' Human Resources aware of his or her disability, provided that such accommodation does not constitute an undue hardship on the operation of Avosys.

Sexual and Other Harassment

Avosys is committed to a workplace free of any forms of harassment or discrimination. Actions, words, jokes or comments based on an individual's sex, sexual orientation, race, ethnicity, age, religion or any legally protected characteristic will not be tolerated. Such conduct is demeaning to another person, and undermines the employment relationship. It is strictly prohibited.

Avosys prohibits the sexual harassment of another person, regardless of that person's employment status with Avosys. Unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (2) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or environment. Consult with your Supervisor, Human Resources or Management to report an incident of harassment.

Criminal Convictions

Avosys reserves the right not to hire or retain anyone who has been convicted of a criminal offense. Before any termination decision is made, the nature of the crime and circumstances surrounding the conviction will be considered.

Drug Testing

Avosys reserves the right to require drug and/or alcohol screening at the time of hire or at any other time during employment. This includes, but is not limited to pre-employment, reasonable

suspicion, random testing and post-accident at the time of medical treatment for any worker's compensation claim, and to determine fitness for duty.

Inventions and Creative Work

"Inventions" means ideas, potential marketing and sales relationships, inventions, research, plans for products or services, marketing plans, computer software (including, without limitation, source code and object code), computer programs, original works of authorship, characters, know-how, trade secrets, information, data, developments, discoveries, improvements, modifications, technology, algorithms and designs, whether or not subject to patent or copyright protection, made, conceived, expressed, developed, or actually or constructively reduced to practice by you solely or jointly with others in connection with or relating to any work performed by you during your employment with Avosys.

You agree that all inventions become and remain the property of Avosys. You also acknowledge these Inventions are considered to be "work made for hire" belonging to Avosys. To the extent that any of these inventions, under applicable law, may not be considered work made for hire by you for Avosys, you agree to assign and, upon its creation, automatically assign to Avosys the ownership of the material, including any copyright or other intellectual property rights in the materials, without the necessity of any further consideration. Avosys will have the exclusive right to use the inventions, whether original or derivative, for all purposes. At Avosys' expense, you will assist in every proper way to protect the inventions throughout the world, including, without limitation, executing in favor of Avosys or any affiliate, patent, copyright and other applications and assignments relating to the inventions.

Confidential Information

All employees must protect the confidentiality of all proprietary, confidential and trade secret information of Avosys as well as all customer and patient information (collectively "confidential"). If such information were to become known to unauthorized employees or third parties outside of Avosys, it could be used in a manner that would cause irreparable harm to Avosys, and injure customers and patients.

Employees may use or disclose confidential information as necessary in the performance of their duties and responsibilities and for the exclusive benefit and best interest of Avosys. Employees may disclose confidential information only to another Avosys employee who has a business-related "need to know" in the absence of other specific confidentiality instructions.

Employees shall not, either during their employment with Avosys or at any time thereafter, disclose, or authorize the disclosure or use of any confidential information for personal benefit or for any other person's or organization's benefit. An employee's duty of confidentiality regarding Avosys, customer, and patient information and documents continues after the employee ceases employment with Avosys.

Confidential information regarding Avosys or an employee's work site include matters not readily available to the public which are of a (i) technical nature, such as, but not limited to, methods,

graphs, charts, processes, and computer programs, including software developed by or licensed to Avosys, or (ii) business nature, such as compilations or files of information or data regarding contracts, patients (including medical records), office management, costs, purchasing, discounts, profits, policies, procedures, and marketing strategies, including plans or ideas.

At any time upon the request of Avosys, and upon cessation of employment with Avosys, employees are required to promptly deliver to their immediate supervisor the originals and copies of all documents and things of any nature relating in any way to the business of Avosys that were obtained by the employees during their employment, including, without limitation, files, notebooks, policies, procedures, reports, computer programs, software and software records, manuals, patient information and records.

An employee who violates this policy during employment with Avosys is subject to disciplinary action, up to and including dismissal. An employee who, after leaving employment with Avosys, removes, discloses, or authorizes the use of confidential information for personal benefit or for the benefit of any other person or organization may also be subject to a restraining order and/or legal action for damages.

Personnel Files

An employment file is maintained for each team member as required by state, local and federal law. These files contain information such as the employment application, resumes, training records, performance appraisals, salary history documentation, employee classification, and other employment information. Personnel files are the property of Avosys and access is restricted to Human Resources who maintains the files, your Supervisor, and Management. You may review your file in the presence of a designated Human Resource representative with reasonable notice. You may not alter or remove any document in your employment file. To assist in keeping these records accurate, you are responsible for notifying your Supervisor of any changes in mailing address, phone number, marital status, number of dependents, emergency contact, educational accomplishments, citizenship, tax withholding allowances, and dependent insurance coverage or other relevant information.

Protected Health Information

Avosys adheres to all requirements of HIPAA. HIPAA mandates appropriate use of Protected Health Information (PHI). The Company is committed to the care and protection of your personal health information. Protected Health Information (PHI) stored in a secure manner with access only by Avosys Management and Human Resources.

Employment Categories

All team members are either Exempt (do not receive overtime pay, such as salaried employees) or Non-exempt (can receive overtime pay). Exempt and Non-exempt status is based on and in compliance with all federal and state wage and hour laws (Fair Labor Standard Act). This handbook applies to both Exempt and Non-exempt team members. Non-exempt team members who work overtime hours must have prior approval from their Supervisor. Only Management or

Human Resources may make changes to a team member's classification. All team members are considered to be one of the following:

Regular, Full-Time Employee: A team member who is regularly scheduled to work a full-time schedule of 30 hours or more, or as defined in the contract to which the team member is assigned

Regular, Part-Time Employee: A team member who works on a regular basis, but for fewer than 30 hours

Temporary Employee: A team member who is retained for a specific, pre-defined period of time and is scheduled to work a full-time or part-time schedule

Service Contract Employee: Employees directly engaged in performing specified services under a federal service contract, also referred to as SCA.

Job Descriptions and Statement of Work

Job descriptions may be developed for specific positions at Avosys. The description is intended to provide each employee with a summary of his/her work and a description of his/her typical duties. Job descriptions are provided so that the employee will know his/her specific job responsibilities, to avoid any misunderstanding as to duties to be performed, and particularly to provide a means for the employee and his/her supervisor to discuss duties, responsibilities, and performance expectations. In some instances, our government customers will prepare a Statement of Work or Performance Work Statement which will detail your responsibilities. If you are unclear of your responsibilities, please contact your supervisor.

Hiring Relatives of Current Employees

If you have a positive work record with Avosys, you may recommend the hiring of a relative or spouse. Avosys is not opposed to the hiring of relatives if the following conditions are met:

- The applicant has the required qualifications.
- You cannot have a supervisory role over your relative.
- You and your relative must agree to be closely monitored.

Employees who are found demonstrating favoritism or preference to a relative during the performance of their duties, or who knowingly receive preferential treatment, are subject to disciplinary action, up to and including termination. Even in circumstances where no supervisory or reporting relationship exists, Avosys, in its sole discretion, may reassign or discharge employees if conflict or potential conflict occurs between related employees.

For the purposes of this policy, a "relative" includes an employee's spouse, domestic partner, parent, sibling, child, cousin, aunt, uncle, in-law, grandparent, grandchild, and the same relationships above which derive from foster, step, or adoptive relationships.

Inform your supervisor if you want to recommend a relative for a position. Applicants who are your relatives must apply through normal channels.

Employment Policies

This section will explain basic employment rules of Avosys. By establishing employment policies, we determine a fair and equitable system for all employees. Our goals are for all employees to be treated with respect, and to create a positive work environment where we can all do our best work.

Work Schedules

Work Hours

Avosys operates on a continuous 24-hour per day, 7 days per week, and 52 weeks per year schedule. You will be advised of your work schedule during the initial meeting with your Supervisor and when changes in the work schedule are necessary to meet business and workload requirements. Shift hours can vary according to your department assignment, workloads, business needs, or client requirements. Normal business hours for the corporate office are Monday through Friday, 8 AM to 5 PM, Central Time.

Attendance

Regular attendance and punctuality are important to the smooth operation of Avosys. If you are late or excessively absent, Avosys' ability to perform work is compromised and an unfair burden is placed on your co-workers and it is non-compliant on government contracts. Therefore, unless your absence is permitted under Avosys paid time off policies, you must be at work and at your station on time, each day you are scheduled to work.

If you are going to be absent or late, call your Avosys supervisor and if on government contract, your government Point of Contact (POC) as soon as possible (no later than 30 minutes after the start of your workday). If you are going to be absent for several days, you must notify your supervisor each day. If you are absent for reasons other than those permitted by the leave policies, or if you fail to provide notice as required, you may be subject to disciplinary action, up to and including discharge.

If you have or develop a history of tardiness or absenteeism, you may become subject to disciplinary action. This may include negative performance evaluations and suspension without pay. If the problem persists, your employment with Avosys may be terminated.

General Guidelines on Attendance

Certain types of leave are required by federal or state law, such as leave to obtain treatment for work-related injuries; FMLA leave, including pregnancy leave; military leave; time needed to vote; and appearance in court for jury duty or in response to a subpoena. Avosys grants approved absences if you need leave for these reasons, when we receive timely notice of the leave, verification of the need for the leave, and completion of the necessary paperwork.

Avosys also realizes there may be instances when you need to take time off due to a minor illness or to attend to civic, personal or family matters which cannot be handled outside of the normal work day. However, when you miss work, especially if the work can't be made up, this creates a hardship on Avosys and on other workers who need to cover for you. Repeated absences, even for what may appear to you to be good reasons, may result in disciplinary action against you (unless the leave is required by federal or state law).

Before Avosys accommodates your request for time off from work for absences, which are not covered by federal or state laws, Avosys needs as much advance notice as possible. Requests are more likely to be approved when you provide considerable advance notice; the reason for your absence is legitimate and verifiable; the nature of your absence requires that you miss all or part of the normal workday; you have presented a workable plan for making up missed work and/or can propose a workable redistribution of work to others during the absence; and you have remaining paid leave time available which may be applied to the absence. When you have given little or no notice of the absence and the absence was avoidable with reasonable care (such as: forgot to set alarm or overslept), the absence is very likely to be treated as unexcused, even if you are allowed or required to make up the time.

Tardiness: When an employee fails to report to work on time.

Absence: When an employee fails to report for work when the employee is scheduled to work.

Excused Absences occur when all three of the following conditions are met:

1. the employee provides sufficient notice to their Supervisor
2. the reason is found credible or acceptable by their Supervisor and
3. such absence request is approved by his or her Supervisor

Unexcused Absences occur when any of the above three conditions are not met.

Sufficient Notice must be given to your Supervisor and is defined as:

1. for a scheduled absence of 8 hours or more, 48 hours' notice must be given
2. for a scheduled absence of less than 8 hours, 24 hours' notice must be given
3. for an Emergency absence occurring:
4. at the beginning of the employee's shift, employees must notify their Supervisor within 30 minutes after the beginning of their shift, if the situation permits
5. during the employee's shift, employees must notify their Supervisor prior to leaving the premises
6. your Supervisor must approve any exceptions or any conflicts in scheduling

Occurrences happen when a team member is tardy or has an unexcused absence. Tardiness counts as $\frac{1}{4}$ an occurrence. Absences count as one (1) occurrence. Consecutive days of absence will count as one (1) occurrence. All occurrences are documented and team members may receive notification and/or disciplinary action. Three (3) occurrences in a rolling six (6) month period may be grounds for disciplinary action, up to and including termination.

You should keep the following factors in mind when requesting time off from work:

1. If Avosys didn't need you at work, we would not have hired you. You should make every effort to keep absences from work to a minimum.
2. Any situation where you are absent from the job during the normal workday (including situations where you come in late, leave early, take a long lunch period, or leave/return at some point during the workday) is treated as an "absence" unless it falls within an applicable grace period.
3. The degree of discipline to be imposed will depend on your prior work history; your promptness in providing notice (even if belated); the justification you provide for the absence; and the attitude you display (demonstration of defiance, insubordination, or lack of concern over compliance with company rules will be dealt with more severely than when you demonstrate sincere concern over the absence and have a concrete plan in place to prevent future absences).
4. You may be allowed an occasional 10 minute grace period at the start of the day to allow for occasional traffic problems or weather delays if the time is made up during the same day. Check with your supervisor, however, as certain production jobs and customer service jobs have very strict reporting times. Likewise, in situations where common sense dictates that you should have used extraordinary effort to show up on time (such as for an important customer meeting), no grace period will apply.
5. If you abuse grace periods, you may be subject to disciplinary action, even if the time is being made up. If you discover that you are consistently having trouble reporting at a particular time, you should talk with your supervisor about possible flextime scheduling *before* getting into disciplinary trouble.
6. Good reason and advance notice must be given for any non-emergency absence, or the absence will not be treated as excused.
7. Even if you provide a good reason (in your eyes) for time off, Avosys retains sole discretion to decide whether or not to excuse the absence (unless approval of the absence is required by applicable state or federal law).
8. Requests for time off may be denied based upon such factors as existing workloads; earlier leave requests by other employees; and your own prior work history, attendance and disciplinary record. In this Company, long-term good employees who rarely miss work are more likely to receive special consideration than brand-new employees who are often absent or late and who don't work very hard when they are here.
9. Failure to provide as much advance notice as possible of a proposed absence may result in denial of permission for the absence or insistence that the absence be postponed to a later date.
10. Except for true emergency situations, non-scheduled absences are not acceptable and will result in the absence being treated as unexcused.
11. The issue of whether the absence will be excused is different from the decision on whether the absence will be paid. Unless you have available paid leave time which can be applied to the absence, or the time can be made up, the time missed will be treated as unpaid if you are nonexempt (if exempt, the employee only will be docked for absences

of one day or more unless the absence is covered by FMLA intermittent leave, or other conditions permit docking under the FLSA).

12. Once paid leave time of a particular type has been exhausted, any additional leave granted for the same reason normally will be unpaid. Thus, if you have already used all available bereavement pay for the year, you may be granted permission to miss work to attend a funeral of a different relative, but will not receive any paid leave for the time missed (subject to FLSA requirements applicable to exempt employees).

Absences Considered Excused and Not subject to Disciplinary Action; documentation may be required to support these requests:

- Preplanned and Approved Vacation or PTO
- Company Designated Holidays (unless required to work)
- Approved Vacation or PTO for Inclement Weather Days
- Approved Vacation or PTO for Bereavement
- Approved Vacation or PTO for Jury Duty
- Absences Related to Military Leave
- Approved Absences Related to the Observance of Religious Holidays
- Preplanned (when possible) and Approved Leave of Absence
- Approved Workers Compensation Leave

Availability for Work

You must be available for work during normal business hours. If there is a change in your availability, notify your supervisor at least one week prior to the change.

Breaks

All non-exempt employees who work a full day (six-hour work period or longer) are allowed to take a minimum of 30 minutes as an unpaid meal break each day or as defined by the statement of work. In addition, paid rest breaks of no more than 15 minutes will be granted in the first half and last half of the workday, as working conditions permit. Exceptions to this policy will be allowed only with prior management approval when necessitated by business conditions, contract, or state employment law, and such approval must be noted on the employee's time card.

Time Off

Employees wishing to schedule vacation or other leave time may use the Leave Request Form to do so. Complete the form and submit it to your supervisor for approval.

Telecommuting

Some employees may be approved for telecommuting for all or part of their workweek, but it is not a normal practice of Avosys or our customers. If you believe telecommuting will improve your productivity, submit a written plan to your supervisor. If you are on a government contract, the contract vehicle must indicate that telecommuting is a satisfactory means of complying with the requirements. Telecommuting arrangements may be approved if your productivity is not

affected, if the department has adequate coverage, and if there is no disruption to work flow. Telecommuting arrangements are not considered permanent and may be reviewed and revised at any time.

If the telecommuting plan is being submitted because of a personal crisis, adjustments to hours, duties and compensation may temporarily be required to make the plan work for both the employee and Avosys.

Once your plan has received approval from your supervisor, it must be submitted to Avosys Human Resource Department for final approval.

Emergency Closings and Down Days

At times, emergencies such as severe weather, fires, or power failures may prevent your office or facility from conducting business. During times of inclement weather, team members should follow the procedures of the facility and/or department for which they work. If no guidance is provided, team members can defer to the news broadcasts for local or state government office closures. Hourly team members are not paid for these days; however, they may choose to utilize personal leave (if available) or making up the time with their Supervisor's approval. On occasion, a client may schedule a "Down Day" or mandatory day off. Salaried team members are compensated in accordance with their employment agreement. Hourly team members are not paid for these days; however, they may choose to utilize personal leave (if available).

Job Abandonment

Failure to notify your Supervisor *and* report for duty for a three (3) consecutive days will be considered job abandonment. Under these circumstances, your employment may be terminated.

Employee Payroll

Paychecks

Pay periods are semi-monthly, the 15th and last day of the month. Paychecks are direct deposited by the 15th of the month for the preceding time period of the 16th through the end of the month and by the end of the month for the time period of the 1st through the 15th. When payday falls on a weekend day or holiday, paychecks will be directly deposited on the preceding workday. Paychecks will not be issued in advance. Pay stubs will not be provided. The employee may access their personal account on a secure web site to review their payroll information at any time, night or day. For information on accessing your personal account, please contact the Human Resource Department. Paychecks will not be deposited prior to the scheduled date. Paychecks after a voluntary termination are paid at the next regular pay cycle.

Payroll Deductions

Federal, state and local laws require that certain deductions be made from all employees' paychecks. These include deductions such as social security and tax withholdings.

Certain benefit programs may require contribution from the employee for participation. Eligible employees must authorize these voluntary deductions from their paychecks by signing the Payroll Deduction Authorization Form.

In addition to standard payroll deductions, Avosys is required by law to comply with certain court orders, liens, or wage assignments and to make payroll deductions pursuant to those orders. Questions regarding payroll calculations should be made to Human Resources.

Garnishments and Support Orders

Avosys complies with all valid claims against the wages of employees. If a wage garnishment, child support order, or some other legally valid claim against your wages is received by Avosys, you will be notified about the amount and details of the garnishment or wage order. Avosys is required to comply with the provisions of the garnishment notice or order, as soon as practicable after it is received, to ensure its compliance with applicable law.

Payroll Errors

In the event your paycheck is not correct in any way, such as amount due, amounts deducted, your name, or Social Security Number, notify the Human Resources immediately. Human Resources will work with your Supervisor to ensure the proper corrections are made and a new check is issued, if necessary.

Timekeeping

Timesheets must be accurately completed via Avosys' online time-keeping system. Team members should review timesheets for accuracy throughout the workweek. At the end of business on the 15th day and the last day of each month, team members must electronically submit their timesheets. Their Supervisor or other designated representative will be responsible for approving timesheets at the beginning of the work day on the sixteenth and first day of each month.

Because Avosys does business with the Federal Government, it is important that the timesheets be completed as follows to comply with Federal Regulations:

1. Clocking-in/Clocking-out (if required) or reporting total hours worked is to be completed daily and only by the team member for whom time is being claimed. A team member's Supervisor may complete a timesheet if the team member is absent for a prolonged period of time for some form of authorized leave. Upon return the team member must review all time submitted by their Supervisor.
2. Online timesheet must be recorded on a daily basis and should be available should your Supervisor or another authorized agent ask to review them.
3. Timesheet must contain the contract worked and appropriate charge codes. Your Supervisor will advise you of which codes to use.
4. Corrections to the timesheet can only be made by the Supervisor. Please contact your Supervisor should you need to correct your time.
5. Record all hours worked regardless of paid compensation. *Remember all overtime must be preapproved prior to working.*
6. Timesheets are to be completed online or, as a backup faxed or emailed at the close of business on the 15th and last working day of the month, prior to you leaving for the day. In the event that you are out of office when your timesheet is due, you remain responsible for timely submission of your timesheet.
7. Tampering, altering or falsifying time records, failure to turn in a completed time sheet (online or via fax/email) by the deadline, or recording time for another team member's time record, may result in disciplinary action, up to and including termination.

Overtime

Hourly (nonexempt) employees are paid time-and-one-half (1.5) times their hourly rate for any hours that exceed 40 hours in a scheduled workweek. You are expected to work overtime if asked. Exempt employees are not eligible for overtime pay. Overtime pay does not include Avosys paid time off benefits, including but not limited to, holiday, sick leave or vacation.

Leave without Pay

Requesting leave without pay (LWOP) for scheduled time off is typically not permitted. However, exceptions will be made dependent upon an employee's situation.

Travel and Reimbursements

Avosys has in place, policies which govern how travel is reimbursed to our employees. These policies are followed for cost containment, federal regulations and tax purposes. To ensure reimbursement, the employee must keep detailed records, submit Expense Reports, and keep all receipts. Expense and reimbursement rules change frequently. Employees should contact the Accounting Office before traveling in order to review the most recent set of travel guidelines.

Travel Advance

If an employee is planning to travel on Avosys business, he/she should allow adequate time to process necessary paperwork. Cash advances are typically not provided by Avosys. Pre-travel paperwork takes at least five to process. The employee should make travel plans as far in advance as possible in order to obtain the best possible travel rates.

Authorized Travel Expenses

If an employee is traveling for a project, he/she should make himself aware of the contractual agreements regarding travel for that project and should keep those issues in mind while making arrangements. Employees are expected to choose the most cost efficient means of travel for all trips and request government rates at all times. As a Federal government contractor, Avosys observes the current lodging and per diem rates specified in the Federal Travel Regulations (FPMR 101-7). Employees are advised to obtain approval and the budget amount(s) for their destinations from the Government point of contact (POC)?? and plan their trips accordingly. Amounts claimed in excess of the budgetary limits are subject to disallowance.

Expense Reports

An Expense Report should be submitted at the close of each business trip in which company expenses have been incurred or there is an outstanding balance after receiving a travel advance. Expense reports submitted later than two months after the month in which the expenses were incurred will not be paid. No expense will be reimbursed prior to the receipt of an Expense Report. Expense reimbursement is limited only to the person claiming the costs; no other party should claim an expense through someone else's Expense Report.

Falsification of expense reports to reflect costs not incurred can be grounds for disciplinary action, up to and including termination.

Bonuses

Avosys may initiate a bonus or incentive plan at any time, but does not guarantee any such plan. Any bonus plan will be determined by Avosys management and be based on some system of achievement of excellence in performance achievement. You will receive notice of any additions, subtractions, or changes to any new or existing bonus plan.

Leaving Avosys

Employment at Avosys is at-will employment. Avosys reserves the right to terminate employment for any reason with or without notice. Circumstances in which management may decide to terminate an employee include, but are not limited to failure to satisfactorily perform requirements of the job, violation or repeated disregard of Avosys policies.

Resignation

Avosys makes every effort to attract and retain quality employees by providing a positive work environment, a flexible work schedule, a competitive compensation, and personal growth through job success.

If you begin to question whether this is the right employment situation for you, we request that you schedule an appointment with your supervisor to discuss your job satisfaction in these four areas. If your reasons for resigning are of a personal nature, or if Avosys is unable to offer an attractive alternative to resignation, you should present a letter of resignation to your supervisor, giving at least two weeks' notice of your intent to leave. All senior level management personnel are requested to give one month's notice, if at all possible.

Employees failing to give proper notice may forfeit accrued vacation pay.

Layoff and Recall

Should there be a need for the company to conduct any layoff or recall proceedings, employees will be selected on the basis of contract needs, available vacancies, and general business situations. Avosys will attempt to provide appropriate notice to employees laid off due to business reasons and /or to provide pay in lieu of such notice. When notice of layoff is given, the employee will be given the reason for layoff, the expected duration of layoff, the last day to be worked, and information regarding company benefits and the date(s) of their expiration. In cases of layoff, all earned and unused leave will be paid.

Involuntary Separation

Inasmuch as an employee may voluntarily leave the employ of Avosys, with proper notice, so too may the employee be terminated at any time and for any reason which does not breach Federal and State laws. Any oral or written statements from any source within Avosys, contrary to the above, are expressly disavowed and should not be relied upon by any potential or existing employee. The timing of each dismissal and the option of providing severance pay in lieu of notice will be reviewed by senior management on a case-by-case basis with every effort being made to give appropriate notice to the employee involved. Avosys considers termination to be a serious step and it is guided subject to the provisions of Avosys' disciplinary policy. If you are involuntary terminated, you will not be paid for any accrued leave.

Procedures for Leaving Avosys

Avosys is committed to providing a positive work environment. Exit interviews may be conducted to collect information about how to better achieve this goal.

Exit interviews are conducted by the Human Resource Department and submitted to Avosys CEO. If you are uncomfortable with this interview, you may be able to complete the *Exit Interview Form* and mail it to Avosys CEO after you leave.

If you are leaving Avosys, make an appointment with the Human Resource Department to discuss final pay, vacation accrual, insurance, and vested benefits. You will also be notified by mail of your rights under the law for vested benefits.

Listed below are the procedures for leaving Avosys.

- If on government contract, the employee should return any government property to the Government point of contact (POC) and follow the government out-processing procedures.
- The employee should return all equipment, credit cards, keys, and Avosys property to the Human Resource Department during the exit interview.
- In the event of the termination of your employment with the Company, whether by you or by the Company, you will be expected to deliver to the Company all documents, notes, lists, programs, projections, financial statements, data and other materials of any nature pertaining to your work with the Company, and you will not take with you any of the foregoing or any reproduction of the foregoing.
- The employee must complete a timesheet for hours worked up to the time of departure.
- The employee must complete an accounting for all funds advanced or owed, if any.
- The employee will be informed of final dates of insurance coverage, options for insurance continuation, and any earned leaves for which he/she may be eligible.
- The employee will be requested to submit a final forwarding address, should that be different from the current mailing address.

Future Reference

Avosys Personnel Office will only provide the following reference information; please direct inquiries there:

- The employee's date of hire
- The employee's title and project assignment
- The employee's hiring and ending (or current) salary

Work Place Standards

This section explains Avosys' standards for the work place. Each department or customer may have additional rules. You should ask your supervisor for any additional standards not presented in this Handbook.

The goal of work place standards is to create a pleasant, safe and secure working environment to enhance performance and enjoyment of your duties. Compliance is mandatory. Failure to comply will result in disciplinary action.

General Rules

Customer Service

Avosys is dedicated to providing quality services. Most of our paychecks are paid by the work provided to us by our customers. All employees are expected to make quality their top priority.

Non-Smoking

Avosys' philosophy regarding the health and safety considerations of its employees is to discourage smoking. Smoking is prohibited in all business locations except for those areas that have been designated as authorized smoking areas. Employees working in off-site facilities should adhere to the regulations in force at those sites.

Avosys has determined that the creation of a smoke-free work environment is in the best interest of all its' employees. Therefore, employees who violate this policy will be subject to disciplinary action up to and including termination.

Drug-Free Workplace

It is the policy of Avosys to maintain a drug-free workplace. Avosys is committed to having a safe, healthy and efficient working environment for all employees. Avosys will not tolerate any employees under the influence of drugs or alcohol while on Company or client premises or while on Company business during regular business hours.

The term "drug" as used in this policy includes alcoholic beverages and prescription drugs, as well as illegal inhalants and illegal drugs and/or controlled substances as defined in schedules I through V of the Controlled Substances Act, 21 U.S.C. Sec. 812, 21 C.F.R. Sec 1308, and the state and local law of the jurisdiction where the workplace is located, including, but not limited to, marijuana, opiates (e.g., heroin, morphine), cocaine, phencyclidine (PCP), and amphetamines. An employee who engages in an activity prohibited by this policy shall be subject to disciplinary action, up to and including immediate termination of employment.

Prohibited activities under this policy include the possession, use, sale, attempted sale, distribution, manufacture, purchase, attempted purchase, transfer or cultivation of drugs, as

defined above, in the workplace, as defined above. Employees are also prohibited from being at the workplace with a detectable amount of drugs in their system.

Employees are responsible for notifying the Company in writing of any conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction. This policy is not intended to replace or otherwise alter applicable U.S.

Cell Phones

Employees' personal cell phones may not be used during working time or in working areas except in response to Avosys, facility, or personal emergency. Employees may use personal cell phones during authorized non-working time (before clock in, after clock out, during authorized breaks, and during meal periods) so long as permitted by the facility, and the cell phone use does not disturb customers or visitors or interfere with work being performed by employees.

The restrictions regarding personal cell phone use also apply to instant messaging, text messaging, and other communications methods using cell phones, personal digital assistants (PDA's), and other communications devices unless otherwise addressed in local worksite policy. If on government contract, you must strictly adhere to their policies, especially if providing classified support. Recording devices are not allowed in classified areas and many cell phones and PDA's have that capability.

Cameras

Cameras and camera cell phones may not be utilized to take personal photographs of the workplace, coworkers, customers, or visitors without the express written authorization of the persons being photographed. If on government contract, you must adhere to their policies, especially if providing classified support. Recording devices are not allowed in classified areas.

Stereos

Some employees find it helps their concentration to listen to music while performing certain tasks. Supervisory approval is required before using recorded music at work and must not interfere with your duties.

Employees who bring MP3 players, PDA's, IPOD's, etc. to the office must use headsets at all times to avoid disturbing other workers.

Accidents and Injuries

All injuries, accidents, or illnesses incurred while working, no matter how slight they may appear, must be reported to a supervisor and to Human Resources immediately. Emergency assistance can be obtained by dialing 911. Payment of insurance claims may depend on how rapidly the injury, accident, or illness was reported.

Recycling

Avosys supports environmental awareness by encouraging recycling and waste management in the work place. You are encouraged to dispose of bottles, cans and paper in the recycling bins.

We are also committed to purchasing environmentally friendly products. You are encouraged to make every effort to conserve energy by turning out lights, avoiding waste and participating in the recycling effort. By recycling and conserving energy, we can do our part to solve the waste control problems facing us all.

Visitors

To provide a safe and secure work place for our employees, only customers and authorized visitors are allowed on Company premises. No unauthorized salespersons or individuals collecting for charitable causes are allowed inside the offices. Instruct door-to-door salespersons to contact your supervisor for an appointment.

Visits from friends and family should be brief. Such visits are best scheduled at lunch or at the end of the workday. You are responsible for the conduct and safety of your visitors.

Unauthorized visitors to work areas will be asked to leave. Notify your supervisor or security personnel immediately if you see an unauthorized visitor in these areas.

Solicitations and Distributions

Working time is for working. Any activity or conduct that would interfere with the work of any employee is strictly prohibited. Any activity or conduct that would divert an employee's attention away from work is prohibited.

Solicitations by employees are permitted only during break time, meal periods, and before and after work. Solicitations of any kind are strictly prohibited during working time. Distributions of any type are prohibited in all work areas. Distribution of literature and other materials by employees is permitted only during non-working time or non-work areas, such as parking areas, break rooms, and cafeterias.

Visitors, customers, or other non-employees, except for outside vendors of supplies, may not solicit or distribute literature anywhere within the Company, including parking lots, driveways, and cafeterias, for any purpose at any time. Outside vendors of supplies are also prohibited from soliciting or distributing literature anywhere within the Company, except when they are transacting business with purchasing personnel. Any employee approached by a vendor for solicitations or distributions of materials should direct the vendor to the official who handles purchasing.

Employees violating any of the above rules will be subject to disciplinary action up to and including termination of employment.

Contacting Employees after Hours

All business should be conducted during business hours. Employees should not be contacted at home except for the following circumstances:

You may contact your supervisor after hours or during leave time in emergency situations or to notify them of a personal problem, such as illness. Supervisors are permitted to contact you after hours to notify you of schedule changes or office closings.

Supervisors must keep your phone numbers strictly confidential. Home phone numbers will not be distributed to anyone except your supervisor or Avosys Management. You may distribute phone numbers for social reasons at your own discretion.

Workplace Monitoring

To better ensure your safety and security, Avosys has certain monitoring systems designed into its workflow. These systems may include, but are not limited to, audit controls, computer systems controls, video systems, and other types of monitoring. In addition, each supervisor has been charged with the responsibility of monitoring his employees.

These systems are not designed to violate your privacy, but to provide for support in billing disputes with customers, to promote cost control, and for the protection of company equipment.

If you have any questions about workplace monitoring, please consult your supervisor.

Safety and Occupational Health

Avosys strives to provide a safe work place for team members and customers and to meet the requirements of the Occupational Safety and Health Act of 1970. The safety and health of team members and customers take precedence over all other activities. No job or project will be attempted until safety has been considered and Supervisors confirm they have made team members familiar with Avosys safety rules and that these rules are enforced. Avosys expects you to make yourself aware of safety procedures regarding:

- Walking carefully on wet or slippery floors
- Crush or cut injuries from equipment
- Falls from heights or ladders
- Preventing and cleaning chemical spills and splashes
- OSHA reporting
- Burn prevention and first aid

As an Avosys team member, you are responsible for complying with all safety rules and regulations, and for performing assigned duties in a safe manner. You must report unsafe conditions or acts to your Supervisor, who will take appropriate measures to correct unsafe conditions and make complete the proper documentation. All team members must follow the specific safety plans required by their worksite.

Drug and Alcohol Policy

Avosys is committed to maintaining a safe and productive work environment. Employees under the influence of alcohol or impaired by drugs pose safety and health risks to themselves and to fellow employees, customers, suppliers, vendors, and others with whom they come in contact. It is Avosys policy to keep our working environment free from alcoholic beverages, controlled substances, and illegal inhalants and their adverse effects on job performance and safety.

Prohibitions

Any employee engaging in the illegal use of, or the possession, consumption, manufacture, distribution, exchange, delivery, dispensation, or sale of drugs or illegal inhalants while on Company property, in Company vehicles, in personal vehicles used for business purposes, or while on Company business, will be terminated from employment. Any employee who reports for work or performs work while impaired by illegal drugs will be terminated from employment.

Any employee engaging in the current illegal use of, or the possession, consumption, manufacture, distribution, exchange, delivery, dispensation, or sale of, alcoholic beverages while on Company property, in Company vehicles, in personal vehicles used for business purposes, or while on Company business, will be subject to disciplinary action up to and including termination of employment. Any employee who reports for work or performs work while under the influence of alcohol will be subject to disciplinary action up to and including termination of employment.

Prescription Drugs and Over-the-Counter Medications

An employee must have any prescription drug in the original container that identifies the drug, the dosage, the prescription date, and the prescribing physician. Restrictions on the use of prescription drugs and over the-counter medications must be observed by employees. When a doctor or other health care professional prescribes a drug for an employee, that employee is required to ask the doctor whether the drug will affect the employee's ability to perform the duties of the job safely and efficiently.

If an employee has knowledge from a doctor, health care professional, or other source (such as medication warnings and labels) indicating a prescription drug or over-the-counter medication will affect the employee's ability to perform the duties of the job safely and efficiently or will create a direct threat of harm to the employee or others, the employee must promptly report that potential impairment to an immediate supervisor before commencing work.

Rehabilitation

Avosys encourages employees to seek assistance to correct alcohol or drug abuse or dependency. Rehabilitation benefits may be available to eligible employees through Avosys' Group Medical Plan. The benefits and eligibility requirements are outlined in the summary plan description. Please be aware that although Avosys encourages employees to seek assistance, if an employee is tested and produces a positive result, or refuses to submit to a required test, it will result in immediate termination.

Drug and Alcohol Testing

The Company will require that current employees submit to drug or alcohol level testing following a workplace incident, including motor vehicle accidents, which results in either medical treatment beyond Company-provided first aid or in property damage.

Avosys reserves the right to require current employees to submit to drug or alcohol level testing when (i) there is a reasonable suspicion that an employee is using, abusing, or has a reportable blood level of alcohol or drugs or is under the influence of alcohol or drugs (ii) when administering

a random drug test or (iii) when testing is required by federal, state, or local laws. Avosys' testing will be implemented in compliance with all applicable federal and state laws.

If you refuse to allow drug or alcohol testing or attempt to invalidate the test, you will be terminated immediately. Invalidating a test includes, but is not limited to, specimen substitution, adulteration or dilution, failure to provide a specimen without a medical reason, or behaving in a manner to obstruct the testing process.

All information developed as a result of any testing is confidential and will not be released outside Avosys, except as directed by you or in relation to workers' compensation or unemployment hearings.

Weapons and Violence

Avosys considers threats of violence to be an extremely serious action. Any act or threat of violence by or against any employee, customer, supplier, partner or visitor is prohibited and applies to all employees, whether on or off company property.

Any use or possession of weapons, whether illegal or not, is prohibited on company property or while on company business, including knives, guns, martial arts weapons or any other object that is used as a weapon. If you are discovered with a weapon, you will be subject to disciplinary action, up to and including termination.

Accidents

Accidents in the Workplace

All accidents or injuries on Company or Customer premises must be immediately reported to your supervisor.

Accidents While Traveling

If you are involved in an accident while traveling on business for Avosys, you must contact your supervisor as soon as possible to report the accident. Your supervisor will be responsible for the completion of all appropriate reports for the insurance companies, police or other agencies, and will copy the reports to Avosys CEO.

Monitoring and Searches

Company property is subject to monitoring, review, and search at all times and without notice, including, but not limited to, desks, lockers, company vehicles, computers and e-mail files.

Avosys may conduct a search of individual computers or files, even if protected by a password, at any time. You may not obtain or alter a password in order to restrict access to a computer or files.

Equipment Usage

Company Property and Usage

Avosys and their customers have made a substantial investment in equipment to enhance your productivity. All Company equipment is for use by authorized employees to produce the work required. You should handle all equipment according to safe operating instructions. If you do not know how to operate a piece of equipment, you must seek training prior to attempting its use.

If you observe an equipment failure or defect, report it to your supervisor immediately. Supervisors are responsible for maintenance and repair of the equipment in their area.

Improper, abusive, negligent, unsafe or destructive use of equipment will result in disciplinary action.

The equipment is for Company use only and should not be removed from Company premises unless authorized. Unauthorized personal use may be grounds for disciplinary action, up to and including termination of employment.

Cabinets, lockers and other storage furniture must be accessible at all times. Personal locks may not be used on Company property. Do not use Company property to store personal files or items.

Postage, Office and Shipping Supplies

Supplies paid for by Avosys, such as postage, shipping, and office supplies, are for business purposes and are not to be used for personal purposes.

Personal Property

Avosys does not assume responsibility for your personal property on the premises. Use discretion when bringing personal property to work. You may not bring or display in the office any item that may be viewed as inappropriate or offensive to others.

Phones and Mail Systems

The phone and mail systems are for business use. However, we recognize that you may have family obligations. You should limit personal phone calls to break periods, and calls should be no longer than 15 minutes per day. Phone charges that may be incurred as a result of your personal call must be authorized by your supervisor prior to the call and be reimbursed to Avosys.

You should refrain from sending or receiving personal mail at the office. Exceptions must be explained and prior permission obtained from your supervisor.

You should always use courteous and professional greetings and language in your conversations with business callers. Failure to use the phones in a courteous manner will result in disciplinary action.

Vehicles

Employees assigned duties involving the regular or occasional use of a Company vehicle or a personal vehicle to conduct company business ("Drivers") must meet the following criteria:

- In the event you are involved in an accident while driving your own vehicle on Company business, your employer may be liable if you do not have insurance or if the loss exceeds your policy limits.
- Employees who use their personal vehicles for company business are required to carry adequate limits of liability and these limits should be verified with the Human Resource Department. A copy of the declaration page of your personal automobile insurance policy must be provided to Avosys Human Resources Department prior to employment and annually on your renewal date.
- Any driver who becomes uninsurable as a driver under that employee's personal vehicle liability insurance policy must notify Avosys Human Resources Department immediately.
- Drivers must have a current valid driver's license for the type of vehicle to be operated, and keep that license with them at all times while driving. All CDL drivers must comply with all applicable Department of Transportation regulations, including successful completion of medical, drug, and alcohol evaluations.
- Company vehicles are to be driven by authorized employees ONLY, except in emergencies, or in case of repair testing by a mechanic. Other employees and family members are not authorized to drive the Company vehicle.
- Company vehicles are to be driven **for company business ONLY**. Personal use of company vehicles is prohibited. No unauthorized persons, including spouses and children, are allowed to ride in company vehicles.
- Any employee who has a driver's license revoked or suspended do to any driving offenses must notify Avosys' Human Resources Department within two (2) business days. Failure to do so may result in disciplinary action up to and including termination of employment.
- Regardless of severity, all accidents involving Company vehicles, or personal vehicles being driven on company business, must immediately be reported to both the police and to Avosys' Human Resources Department. Failure to stop after an accident or failure to report an accident may result in disciplinary action up to and including termination of employment.
- While driving on Company business, being under the influence of intoxicants and other drugs is forbidden and is sufficient cause for disciplinary action up to and including termination of employment.
- Any driver who has pending charges, pleads guilty or no contest, is convicted, or receives any form of alternative sentencing program for driving while intoxicated, driving under the influence of drugs or alcohol, or any other offense involving driving while impaired, must notify
- Avosys Human Resources Department within two (2) business days of the plea, conviction, or sentencing program.
- All drivers and passengers operating or riding in company vehicles must wear seat belts, even if air bags are available.

- Motor Vehicle Records will be ordered periodically to assess driving records. An unfavorable record may result in reassignment or termination of employment. Motor Vehicle Records will be used as a standard method of evaluation for all prospective and current drivers.
- Drivers are responsible for the security of Company vehicles they are using. The vehicle engine must be shut off, ignition keys removed, and vehicle doors locked whenever the vehicle is left unattended. If the vehicle is left with a parking attendant, only the ignition key is to be left with the attendant.
- Report any mechanic difficulties or repair needs to your Avosys designee.
- Any driver who becomes uninsurable as a driver or who otherwise violates this policy will be subject to reassignment and/or disciplinary action up to and including termination of employment from employment.

Cell phones usage is not permitted while you are driving on Company business, should the need arise that you have to use your cell phone, pull off / over onto a safe location away from traffic before answering or returning calls. Texting while driving is never allowed. All state laws pertaining to cell phone usage while driving must be adhered to at all times. While driving on any Military facilities you must follow the rules regarding hand held cell phones. Most facilities do not allow the use of hand held communication devices while driving.

Electronic Systems

Avosys and their customers may make available to employees and other approved users ("users") electronic or computerized technology, including but not limited to, electronic mail ("e-mail"), telephones, voice mail, fax machines, copy machines, personal computers, computer networks, access to the Internet, and other electronic services (generally referred to as "electronic systems"). The electronic systems made available to users by the Company, as well as all associated hardware, software, and systems are the property of the Company and are to be used for business-related purposes. The content of electronic messages, voice mail, data, documents and graphic images will conform to Avosys ethical and business standards.

Avosys and their customers reserve the right to log into, inspect, intercept and read the entire content of any electronic message, telephonic, or voice mail communication, or data transmitted or stored in the Company's or Customer's systems to the full extent permitted by applicable law. This includes computer files, any form of electronic messaging, e-mail, blogging, and voice mail that have been deleted by users.

Avosys also reserves the right to review Internet websites that have been accessed by any employee.

Electronic communications and data should not be considered private by any employee.

The Company requires that employees conduct themselves honestly and appropriately on the Internet and while using e-mail, blogs, or other electronic systems resources, and that they respect the copyrights, software licensing rules, property rights, privacy and prerogatives of others.

The following acts constitute a violation of the electronic systems policy:

- Using Avosys network or computing resources to access, archive, store, distribute, edit or record sexually explicit, offensive, or inappropriate material.
- Using profanity, derogatory epithets, innuendo, and sexual, threatening, or abusive language on the Company's electronic systems.
- Using software or files in ways that are inconsistent with licenses or copyrights.
- Using Avosys' electronic systems to knowingly download or distribute pirated software or data.
- Using Avosys Internet facilities to knowingly propagate any virus.
- Using Avosys Internet to knowingly disable or overload any computer system or network or to circumvent any system intended to protect the privacy or security of another user.
- Dishonestly, inaccurately, or incompletely identifying oneself when using the Company's electronic systems.
- Speaking or writing on behalf of the Company without prior authorization from Company officials.
- Non-work-related blogging while at work or while using company equipment.
- Revealing confidential Company or customer information, data, or any other material covered by existing Company policies and procedures without authorization from Company officials.
- Storing, viewing, printing or redistributing any document or graphic file or downloading software that is not directly related to the user's job or the Company's business activities.
- Forging electronic mail, voice mail, or documents to make them appear to have originated from a different person.
- Electronic Communications systems are not to be used to solicit or proselytize for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations.
- Sharing user IDs, passwords or CAC cards.

Employees who violate this policy or use Avosys' electronic systems for improper purposes are subject to disciplinary action up to and including termination of employment.

Computer Use Policy

Section One: Purpose

- A. To remain competitive, better serve our customers, and provide our employees with the best tools to do their jobs, Avosys and their customers make available to our workforce access to one or more forms of electronic media and services, including computers, e-mail, telephones, voicemail, fax machines, external electronic bulletin boards, wire services, online services, intranet, Internet, and the World Wide Web.

- B. Avosys encourages the use of these media and associated services because they can make communication more efficient and effective and because they are valuable sources of information about vendors, customers, technology, and new products and services. However, all employees and everyone connected with the organization should remember that electronic media and services provided by the Company or our clients are company or client property and their purpose is to facilitate and support Company business. All computer users have the responsibility to use these resources in a professional, ethical, and lawful manner.

- C. To ensure that all employees are responsible, the following guidelines have been established for using e-mail and the Internet. No policy can lay down rules to cover every possible situation. Instead, it is designed to express Avosys philosophy and set forth general principles when using electronic media and services.

Section Two: Prohibited Communications

Electronic media cannot be used for knowingly transmitting, retrieving, or storing any communication that is:

1. Discriminatory or harassing;
2. Derogatory to any individual or group;
3. Obscene, sexually explicit or pornographic;
4. Defamatory or threatening;
5. In violation of any license governing the use of software; or
6. Engaged in for any purpose that is illegal or contrary to Avosys policy or business interests.

Section Three: Personal Use

The computers, electronic media and services provided by Avosys are primarily for business use to assist employees in the performance of their jobs. Limited, occasional, or incidental use of electronic media, either sending or receiving, for personal, non-business purposes is understandable and acceptable, and all such use should be done in a manner that does not negatively affect the systems use for business purposes. However, employees are expected to demonstrate a sense of responsibility and not abuse this privilege.

Section Four: Access to Employee Communications

- A. All electronic systems and data, including e-mail, computer data, faxes, and voice mail, are the property of Avosys or their customer and considered Avosys or their customers' records. Employees should have no expectation of privacy when using any of Avosys or their customers' electronic systems or telecommunication systems and services. For purposes of this policy, electronic communications, information, and data include, but are not limited to, the following: electronic information, information created or communicated by an employee using e-mail, blogs, word processing, utility programs, spreadsheets, voicemail, telephones, Internet, bulletin board system access, and similar electronic media.

Avosys does routinely gather logs for most electronic activities or monitor employee communications directly, e.g., telephone numbers dialed, sites accessed, call length, and time at which calls were made, for the following purposes:

1. Cost analysis;
 2. Resource allocation;
 3. Optimum technical management of information resources;
 4. Detecting patterns of use that indicate employees are violating company policies or engaging in illegal activity.
- B. Avosys and their customers reserve the right to review any employee's electronic files and messages to the extent necessary to ensure electronic media and services are being used in compliance with the law, this policy, and other company policies.

Section Five: Software

To prevent computer viruses from being transmitted through the company's computer system, unauthorized downloading of any unauthorized software is strictly prohibited. Only software registered through Avosys or the customer may be downloaded. Employees should obtain permission from the system administrator at the Avosys site or the customers' site, if applicable, prior to downloading or installing any software.

Section Six: Security and Appropriate Use

- A. Employees must respect the confidentiality of other employees' electronic communications. Except in cases in which explicit authorization has been granted by company management, employees are prohibited from engaging in, or attempting to engage in:
1. Monitoring or intercepting the files or electronic communications of other employees or third parties;
 2. Hacking, or obtaining access to, systems or accounts not authorized to use;
 3. Using other employees' log-ins, passwords or CAC cards;
 4. Breaching, testing, or monitoring computer or network security measures.
- B. No e-mail or other electronic communications can be sent that attempt to hide the identity of the sender or represent the sender as someone else.
- C. Electronic media and services should not be used in a manner that is likely to cause network congestion or significantly hamper the ability of other people to access and use the system.
- D. Anyone obtaining electronic access to other companies' or individuals' materials must respect all copyrights and cannot copy, retrieve, modify, or forward copyrighted materials except as permitted by the copyright owner.

Section Seven: Working on Government Site

Any employees working in government facilities and utilizing their equipment and computers must become familiar with all applicable rules and regulations for that site and should never be in violation of those regulations. Violation of these regulations could result in your termination as well as non-compliance and termination of Avosys' contract with the facility.

Employee Relations

Avosys is committed to providing a safe, secure and positive work place for all its team members. It is our goal that every team member enjoys his work and is comfortable in his surroundings.

Occasionally, conflicts arise in the work place that must be resolved. This section explains the procedure for resolving workplace conflicts in a constructive and professional manner.

Adherence to Policy

In resolving conflicts within Avosys, strict adherence to policy is required. Conflicts, when properly resolved, can strengthen a company. When conflicts are not handled according to policy, resentment occurs. The following rules have been established to guide you in the resolution of conflict.

Guidelines for Supervisors

- Treat all team members and customers with respect. Yelling, name-calling or threatening actions or words will not be tolerated.
- Do not discuss any aspect of a team member's relationship with Avosys, including performance or any personal information, with anyone except the team member or Management.
- All discussions regarding job performance, work habits or attitude will be conducted in private.
- Supervisors will offer opinions only on the performance of their own team members. Supervisors having difficulties with a team member in another department must follow the procedure as outlined in this section.

Guidelines for Team Members

- Treat all team members, Supervisors, clients and vendors with respect.
- Do not use abusive language. Do not threaten or harass others, either verbally or physically
- Do not gossip.
- Do not discuss the actions or performance of any other team member or Supervisor in Avosys, except with your Supervisor or Management.
- Do not yell, slam doors, curse, or throw things when you are angry. Team members are encouraged to take a break and leave the office to calm down before discussing the problem with your Supervisor.
- Team members who do not follow the above guidelines for conflict resolution are subject to disciplinary actions as outlined in this handbook.

Problem Resolution

In our experience, when team members deal openly and directly with Management and other team members, the work environment can be excellent, communications clear, and attitudes positive. In most cases, problems occur through communication breakdowns and misunderstandings. In developing this policy, an open workplace was our goal.

If you need assistance in negotiating a resolution to a problem, make an appointment with your Supervisor to discuss the situation and various remedies. Other Avosys Management personnel may be available to explain policy, assist in negotiating a resolution and perform the role of team member advocate, should your Supervisor need assistance.

Problems with Co-Workers

If you have a problem with a co-worker, talk with that employee calmly to try and solve the problem. If you cannot find a resolution, you should each bring the problem to your individual supervisors. The supervisors will work with you to determine a resolution. If the supervisors or other management personnel cannot resolve the problem Avosys' Management Team will decide on a solution. The decision of the Avosys Team is final.

Problems with Employees in another Department

If you have a problem with an employee in another department, bring the problem to your supervisor, who will discuss the situation with the supervisor of the other employee. A resolution will be determined after both employees are jointly interviewed about the issue. If the supervisors are unable to resolve the problem, they will discuss the problem with Avosys Management Team. The decision of Avosys Management Team will be final.

Problems with Equipment or Systems

If you are having problems with equipment or systems, bring the problem to the attention of your supervisor. The supervisor will resolve the problem. If additional company resources are required, the supervisor will discuss the issue with the heads of other involved departments. Together, the department supervisors will create several possible solutions and present them to Avosys Management Team for approval.

Problems with Policies

If you have a problem with a Company policy, you should seek clarification of the policy from your supervisor and submit a plan for resolution of the conflict. If your supervisor believes a solution can be adopted without violating the spirit of Avosys policy, he may implement the solution. If the solution would violate Avosys policy, the plan must be submitted to Avosys Management Team for approval. The decision of the Team is final.

Problems with Your Supervisor

If you are having problems with your supervisor, first discuss the situation with your supervisor to explore a solution. If the problems are of a serious nature involving abuse, discrimination or harassment by your supervisor, you may present your problem in writing to Avosys Management

Team. The Management Team will investigate the complaint according to policy and a resolution will be found. The decision of Avosys Management Team is final. You will not be disciplined for making a complaint against a supervisor. However, providing false information or complaints may result in disciplinary action.

Conflict Resolution Form (CRF)

Your supervisor will use the Conflict Resolution Form to document all employee disputes. Supervisors are required to complete the form and provide a copy to Avosys Management Team and the disputing employee. You will have an opportunity to document your side of the dispute on the form.

Appeals

Appealing a Disciplinary Action

If you become subject to a disciplinary action, you are entitled to a review of the decision by the Avosys Management Team (The Management Team). You may appeal the action prior to its implementation by submitting a Conflict Resolution Form (CRF) to the Team. The Team will interview you and your supervisor separately to determine if the action is appropriate.

If your supervisor has properly followed Company procedure, the disciplinary action will be allowed to stand or be implemented. If your supervisor has failed to properly follow Company procedure, The Avosys Team will investigate the events leading up to the action and make a final determination. The decision of Avosys Team is final.

Appealing a Termination

With the exception of instances of employee violence or theft, no employee will be terminated from Avosys without the prior knowledge of The Management Team. If you believe you have been wrongfully terminated, you must pursue binding arbitration in order to appeal your termination. Notice of your intent to pursue binding arbitration must be sent to the Avosys CEO via U.S.P.S. certified mail.

Employee Conduct

Avosys takes great care in its hiring practices to recruit qualified, professional staff persons. It is committed to treating all employees with respect and that includes a presumption of professional conduct. Occasionally, employees enter Avosys without a clear idea of what professional conduct is. The purpose of this section is to explain the standards of conduct that are expected. This section also explains consequences for failure to adhere to these standards.

Guidelines

The following guidelines will serve as the standard of conduct for all employees:

- You will conduct yourself in a professional and respectful manner to all employees, customers, and visitors.
- You will present yourself in a clean and well-groomed manner. Casual dress is acceptable provided it is clean, in good repair, and modest.
- You will present yourself on time for your regularly scheduled hours.
- You are to remain productive throughout the workday.
- This is a drug-free workplace. Abuse of intoxicating substances and the use of illegal drugs will not be tolerated. Law enforcement officials will be notified if illegal substances are found on Company property.
- Sexual harassment will not be tolerated.
- Racial slurs, harassment and intimidation will not be tolerated.
- There is no solicitation or distribution of petitions in the workplace.
- Your supervisor must approve all postings to the employee bulletin board or e-mail. Memorandums must be approved by your supervisor prior to distribution.
- You will conduct business in a manner that avoids a personal conflict of interest with Avosys' interests.
- No smoking anywhere except in designated areas during scheduled breaks.
- Office and management employees will protect the confidential nature of business information, such as customer lists, customer preferences, project proposals, and proprietary production processes. You will also respect the confidential nature of personal information about other employees.
- Theft of any kind will not be tolerated.
- Unauthorized use of Company equipment will not be tolerated.

Conduct Policies Expanded

Conflict of Interest

You have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest with Avosys. A conflict of interest is defined as follows: An employee in a

position of influence causes a decision to be made which will result in personal gain for that employee, relative or spouse. This decision is not in the best interest of Avosys for reasons of cost, performance or other benefits.

The mere existence of a relationship does not constitute a conflict of interest. If you are or become involved in purchases, leases or contracts that have the potential for a conflict of interest, you should make this known to your supervisor or the Avosys Management Team as soon as possible. Safeguards will be established to protect all parties.

You will not accept any kickback, bribe, substantial gift or special consideration as a result of any transaction or business dealings involving Avosys.

Sexual and Other Harassment

Avosys is committed to a workplace free of any forms of harassment or discrimination. Actions, words, jokes or comments based on an individual's sex, sexual orientation, race, ethnicity, age, religion or any legally protected characteristic will not be tolerated. Such conduct is demeaning to another person, and undermines the employment relationship. It is strictly prohibited.

Reports of harassment should follow the procedure outlined in the Employee Relations sections of this handbook.

Gratuities

Do not accept any favor or gratuity from any person, firm, or corporation that is engaged in or attempting to engage in business transactions with Avosys. Report any attempts to provide favors or gratuities to your supervisor.

Non-Disclosure

You have an obligation to protect business information and trade secrets vital to the interests and success of Avosys. Such confidential information includes, but is not limited to, the following examples:

- Customer lists of any kind
- Customer preferences or other information
- Pending projects and proposals
- Price lists
- Proprietary processes of any kind

Employees who improperly use or disclose trade secrets or confidential information will be subject to termination of employment, even if they do not actually benefit from the disclosed information.

Competing Environment

During your employment with Avosys, you may work for other businesses, provided you do not perform work of a nature that conflicts or competes with the business or services of Avosys, use any Company resources, such as computer hardware and software, telephones, facsimile machines, and copiers, for the non-Company work; perform any non-Company work on Company premises; or perform any non-Company work during normal business hours.

Non-compete Agreement

During the twenty four-month period after your employment with Avosys ends, you may not, directly or indirectly, approach any person who was employed by Avosys during your employment period for the purposes of offering employment, soliciting, or to take away for yourself or any others any customer of Avosys during the time of your employment.

Outside Employment and Activities

You may engage in additional employment during your off hours. This employment can be paid employment, an entrepreneurial venture or a volunteer activity.

On occasion, such outside activities have interfered with an employee's performance during their regular working hours. Therefore, a policy has been established for outside activities. Employees who violate this policy are subject to termination.

- You may not engage in work, receive communications, deliveries or mail relating to outside employment while on Company property.
- There will be no unauthorized use of Company equipment to produce outside work. If you want to use Company facilities or equipment for personal use, entrepreneurial projects or paid work from sources other than Avosys, you must first obtain permission from your supervisor.
- The work will be submitted into the workflow system, produced, and billed as any other job. Employees are offered a 15% discount off standard Company rates.

Avosys usually supports employee involvement in worthy charitable causes. If you are producing work for a community effort and are not being paid, you may be able to obtain permission to use Company facilities. Consult with your supervisor about your project. If materials are involved, you must seek prior approval from your supervisor and the Avosys Management Team. An accounting of materials and equipment used must be kept and submitted to Avosys Management Team after the project is completed.

Petitions

Petitions for political or social causes may not be circulated among employees. Products supporting political or social causes may not be sold or posted on Company premises without prior authorization from Avosys CEO.

Grooming and Personal Hygiene Guidelines

Your personal appearance and hygiene are very important to Avosys and our customers. We continually strive to put forth the best image possible. In general, all Avosys employees should follow the dress code that is already established in their workplace. For example, if the duty uniform in your workplace is solid color scrubs or whites, then that policy applies to you as well. If you are working in an administrative setting, you will be expected to dress and groom yourself in accordance with your workplace's accepted business standards. Usually, this will be what is commonly known as "business casual." Even if your duty section observes a "casual day" on Fridays, the following standard will still apply.

Unacceptable Dress – In general, the following will always apply:

- *Casual* does not mean sloppy. Wrinkled, stained, or dirty clothing out of the workplace. Employees whose clothing becomes soiled while on the job and in the course of performing their job duties are exempt from this ruling for the remainder of that shift.
- Avoid ripped or “distressed” clothing.
- Leave loud, flashy, or revealing clothing, including T-shirts with printed messages, at home.
- Extreme or excessive styles in jewelry, hair length or color, fingernails, makeup, or visible body piercing (not including pierced ears), and tattoos (tattoos must be kept covered while at work) should be avoided.
- Save athletic clothing, shorts, sundresses, spaghetti straps, flip flops, headwear, hats, and sweatshirts for after work.

If for any reason an employee’s appearance does not follow these guidelines, that employee will be asked to return home on his or her own time to change into appropriate attire. **Avosys reserves the right to determine inappropriate personal appearance.**

Meals and Breaks

You are permitted regular breaks from work at regular intervals during the day, subject to workloads and shift changes. Check with your supervisor for the daily break schedule.

You are permitted to take breaks only in those areas designated by your supervisor. Employees taking breaks in other areas are subject to disciplinary action. Employees are not allowed to work during their unpaid lunch break.

Food and Beverages

You are permitted to eat at your desk, but it should be done unobtrusively and in a way to prevent damage to equipment and furnishings. You are responsible for workstation area clean and presentable. You are also responsible for making meeting areas clean and presentable condition after use.

Other

Employee Parking You are provided with a parking area and are not permitted to park in customer parking areas, service lanes or spots, or where access to delivery doors, trash bins or freight areas are located. Check with your supervisor regarding the appropriate parking area.

Employee Entrances You are expected to use designated entrances when arriving leaving the premises. Unless instructed otherwise, do not enter using customer entrances, the reception or dining areas, or other public areas. Check with your supervisor for the proper employee entrance location.

Employee Conveniences You may be provided with separate areas for storing personal items, changing into and out of uniform, and restrooms. Check with your supervisor for details on these items.

Suggestion Program

As an Avosys team member, your ideas are important to our continued success. If you have an idea of how to better improve the efficiency or success of our operation, please discuss it with your Supervisor. On occasion, team members are invited to participate in workflow improvement meetings. These meetings are conducted to collect ideas and suggestions from all team members in an effort to improve our products and operations.

Ethics

Good ethics can have a surprisingly positive effect on organizational activities and results. Productivity improves. Group dynamics and communication improve, and risk is reduced. One reason for this is ethics becomes an additional form of logical reasoning, increasing the flow of information, and adding an additional set of eyes and antennae to give the organization needed feedback regarding how it is doing. Increased reasoning capabilities, coupled with additional information, is a strategic advantage in any business or organization. We have detailed our ethics policy in this handbook.

The laws and regulations governing contracting with the government impose requirements not traditionally associated with purely commercial business transactions. For example, it is a criminal violation — a felony— to knowingly make a false claim or false statement to the government. Violations of these and other statutes can subject us to damaging litigation, reduction of negotiated contract prices, suspension of Avosys' eligibility to receive government contracts, and debarment from doing business with the government. Violations also may subject the Corporation and its employees to civil lawsuits or criminal prosecution, with possible resultant fines, debarment or suspension, and prison sentences.

Avosys Ethics Policy

1. Our policy is to deliver quality products and services to the government at fair and reasonable prices.
2. We are committed to compliance with the letter and spirit of government contracting laws and regulations.
3. Government information that is national security classified shall not be accepted from any source, either directly or indirectly, in circumstances where there is reason to believe that the release is unauthorized.
4. We are prohibited by statute from soliciting or obtaining a competitor's proprietary information or the government's source selection information. Avosys will not seek or accept, directly or indirectly, proprietary or source selection information regarding any government procurement. Following contract award, such information may be sought

through requests made directly to the government, such as a request under the Freedom of Information Act.

5. Our team members shall not prepare any government solicitation, specification or evaluation criteria and anonymously or surreptitiously submit it to the government.
6. We are frequently required to submit accounting and other records to the government as a basis for payment on existing contracts and in support of estimates on future contracts. It is our policy to charge all labor and material costs accurately to the appropriate account, regardless of the status of the budget for that account. Improprieties, such as charging labor or material costs improperly or to the wrong account, charging direct contract effort to an overhead or indirect account, and falsification of time cards or other records will not be tolerated.
7. We are required to submit cost or pricing data to the government and to certify that it is current, accurate, and complete. The definition of data that must be disclosed is very broad and includes not only facts but also management decisions, estimates (based on verifiable data), and other information that a reasonable person would expect to affect the negotiations. Our policy is full disclosure of complete and accurate cost and pricing data that is current up to the date of agreement on price.
8. We submit proposals to the government for reimbursement of costs. It is our policy to request reimbursement only for costs which are reasonable in amount and which are clearly allowable under government regulations, or as to which we have a good-faith belief that the costs are allowable. For example, alcoholic beverages, promotional items (including models, souvenirs and gifts), donations, or entertainment are expressly unallowable.
9. We are often required to certify compliance with quality control specifications and testing requirements for our products. Our policy is to deliver goods that meet all contract requirements and give the customer the highest degree of confidence in our products. Improprieties, such as failure to conduct required testing, or manipulation of test procedures or data will not be tolerated.
10. Government rules on gifts and gratuities (broadly defined to include entertainment and business meals) are very restrictive. Team members shall not offer or give a gift or gratuity to any government employee, except where clearly permitted by applicable government regulations (for example, 32 Code of Federal Regulations Part 40). Guidance with respect to the applicable regulations can be obtained from your Supervisor. Furthermore, team members shall not offer or give, directly or indirectly, anything to a government employee who is a procurement official or who performs a procurement function except: (a) beverages at a business meeting, (b) light snacks for a business meeting where government employees in travel status are in attendance, and (c) promotional items

displaying the company logo and having a truly nominal value, such as baseball caps or pads of paper. Any exceptions must be approved in writing by Management.

11. Special restrictions apply to hiring or retaining as a team member or consultant, any government employee (other than secretarial, clerical or similarly graded employees). There are many “revolving door” laws which apply to government employees and restrict their employment outside the government. In some cases, even discussions of possible employment are prohibited. Accordingly, clearance must be obtained from Management (as appropriate) before even mentioning proposed employment to such a current government employee, and before hiring or retaining any such former government employee who left the government within the three previous years. In addition, any plans to employ retired military officers of general or flag rank, or civilian officials having the rank of deputy assistant secretary or above, must be approved by Management.
12. Team members may not accept gifts, entertainment or other gratuities from anyone seeking a contract with or purchase by Avosys (in whatever form, including purchase orders or credit card purchases), other than customary business courtesies that are reasonable in frequency and value. Team members may not solicit any gift, entertainment, or other gratuity. Seeking or accepting any payment, gift or other thing of value from a subcontractor, vendor or supplier for the purpose of obtaining or acknowledging favorable treatment under a government contract or subcontract (a “kickback”) is a crime.
13. Aside from the restrictions of paragraph 11, additional limitations apply to those employees who have direct purchasing responsibilities. This includes all employees in the purchasing department and others, if designated by the operating unit such that the affected employees can be readily identified. The additional designations could include, for example, employees who are supplier quality assurance representatives, employees responsible for source selections, or employees authorized to make credit card purchases. Such employees may only accept (a) beverages, light snacks and business meals served during business meetings held at the facilities of subcontractors, vendors, or suppliers, (b) business meals when in travel status, (c) promotional or advertising items having a truly nominal value, such as baseball caps or pads of paper, and (d) any other gift, entertainment, or other gratuity if reported to and approved in writing by Management.
14. Team members shall not offer or give entertainment, gifts or gratuities to representatives or employees of higher tier government contractors other than customary business courtesies that are reasonable in frequency and value. Offering or giving any payment, gift, or other thing of value to such a person for the purpose of obtaining or acknowledging favorable treatment (a “kickback”) is a crime.
15. Even though not otherwise prohibited, team members will not offer or give to any representative or employee of a higher tier government contractor any entertainment,

gift, gratuity or anything else of value that such representative or employee is known to be prohibited from accepting under the policies of the higher tier government contractor.

16. Consultants performing work related to a government contract or subcontract shall be required by contract to comply with the laws and regulations relating to government contracting and with this policy statement. This policy statement shall be incorporated in the standard terms and conditions for all such consultant contracts and each such contract shall expressly provide for termination in the event the consultant violates either the laws or regulations relating to government contracting or this policy statement. All organizations that contract directly or indirectly with the federal government of the United States are required promptly to maintain current, detailed procedures and policies, including an ongoing program of communication and training, to insure compliance with this policy statement and with the laws and regulations governing contracting with the government. Such procedures and policies shall expressly designate the department or activity responsible for implementing each element of the detailed policies and procedures.

Progressive Discipline

Our emphasis as a Company is on preventing situations that require corrective action from occurring, through effective leadership and by creating a quality culture. However, certain aspects of employee behavior warrant corrective action to encourage positive change and to prevent recurrence of inappropriate behavior.

The severity of the corrective action depends on the seriousness of the offense, the employee's work record, and the facts and circumstances of each case. Corrective action may take the form of a verbal warning, written warning, suspension, demotion, or discharge.

Corrective action for simple misconduct is generally progressive, but can result in discharge if violations continue. Simple misconduct includes violation of rules and regulations, policy, procedure, poor performance, or intentional behavior that negatively reflects on the image of the Company.

Although a comprehensive list of workplace misconduct is not possible, the following examples of workplace violations could result in disciplinary actions, up to and including immediate termination:

- Violence of any kind against team members, customers, visitors, or property.
- Possession of illegal substances in the workplace or in a company vehicle.
- Coming to work while under the influence of alcohol or other drugs. Disrupting the workplace while under the influence of alcohol or other drugs.
- Theft of company property, proprietary information or the property of any team member, customer or visitor.
- Possession of weapons, explosives or other dangerous substances in the workplace whether legally registered or not.

- Disruptive, abusive or disrespectful conduct directed at any team member of Avosys. This includes use of racial slurs, sexual harassment or harassment and /or intimidation of any kind.
- Substance abuse during non-working hours that affects the team member's job performance.
- Discovery that a team member is under the influence of intoxicating substances while being treated for a workers' compensation injury.
- The commission and conviction of a felony during off-hours.
- Engaging in business practices that present a conflict of interest with Avosys.
- Employees will be placed on a 90-day probationary period after a warning is issued.
- Making inappropriate statements to other team members not intended to be abusive.
- Talking to your Supervisor in an insubordinate manner.
- Disregarding a directive from your Supervisor.
- Disruptive behavior that is not intended to be abusive such as constant talking while others are working, gossip, whistling, unauthorized sales, etc.
- Failure to come to work when scheduled and failure to call the Supervisor and notify him of your absence.
- Damage to property belonging to Avosys or its team members through carelessness or negligence.
- Expressing anger in an inappropriate manner including yelling, door slamming or throwing things.
- Disclosure of confidential or proprietary company information.
- Unauthorized use of Company equipment including phones, materials, computers, e-mail, etc.
- Excessive tardiness or absenteeism.
- The unauthorized removal of materials or property from Avosys' premises whether with the intent to steal or not.
- Violations of the policies outlined in this employee handbook.
- Behavior intended to annoy or irritate other employees. Behavior intended to create a minor disturbance.
- Bringing false or distorted claims against other employees.
- Failure to perform duties in a consistently acceptable manner.

In all cases of disciplinary action, the Company reserves the right to forego the use of progressive discipline and reserves the right to terminate employment at any time, for any lawful reason, including reasons not listed above. Employees also have the right to terminate their employment at any time.



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